

SPECIAL COMMITTEE REPORTS

Spec. Com. Rep. No. 1

The Special Committee on Accountability - 01, to which was referred S.C.R. No. 34 entitled:

“SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF STATE DEPARTMENTS WITH HIGH RATES OF ADDITIONAL COMPENSATION PAID TO EMPLOYEES,”

begs leave to report as follows:

The purpose and intent of this measure is to request the Auditor to conduct an audit of state departments with high rates of additional compensation paid to employees, including:

- (1) A review of the use of overtime pay, and any excessive use of sick leave and other forms of compensation such as compensatory time, which may directly or indirectly contribute to increased overtime for employees, and the impact of the use of additional compensation on pension payments;
- (2) A description of any specific instances of “pension spiking”;
- (3) An identification of any patterns of abuse of additional compensation by either employees or their supervisors; and
- (4) Recommendations for addressing the issues raised in the audit.

Your Committee received testimony in support of this measure from the Auditor and Department of Human Resources Development. Your Committee received comments on this measure from the Employees’ Retirement System, Department of Budget and Finance, Department of Health, Hawaii Health Systems Corporation, Department of Public Safety, and Department of Transportation.

Your Committee has also heard S.C.R. No. 37, “SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL AND MANAGEMENT AUDIT OF THOSE STATE AGENCIES WITH SALARY AND WAGE OVERPAYMENTS,” which requested the Auditor to conduct a financial and management audit of those state agencies with salary and wage overpayments; including:

- (1) The full extent of the overpayments, the total amount repaid, amounts still eligible for repayment, and amounts deemed uncollectable, by department;
- (2) Efforts by the State to resolve the overpayments; and
- (3) Any recommendations for legislation to address or prevent the issue of salary and wage overpayment and improve the collection of overpayments.

Your Committee received testimony in support of this measure from the Auditor, Department of Accounting and General Services, and Koa Hills Consulting. Your Committee received comments on this measure from the Department of the Attorney General, Department of Education, Department of Health, Department of Public Safety, and Department of Transportation.

Your Committee held three hearings on S.C.R. No. 34, and two hearings on S.C.R. No. 37. During the conduct of these hearings, your Committee found a number of common themes, concerns, and recurring problems within specific state agencies that were relevant for both measures. After careful consideration, your Committee has combined many of the provisions from both measures, as well as recommendations from the Auditor, in S.C.R. No. 34, S.D. 1. The specific amendments are discussed in greater detail at the end of this standing committee report.

Your Committee is troubled chiefly by the lack of accountability demonstrated in the testimony and through questioning of the representatives of those agencies present at the hearings. Whether the issue was related to “pension spiking” or the overpayment of compensation, your Committee found a pattern of misinformation, lack of information, and conflicting information that has resulted in several state agencies’ inability to resolve their employee compensation problems – often for many years.

Your Committee has heard that the State’s use of a manual, decentralized timekeeping system keeps the agencies from accurately tracking and addressing patterns of abuse, and that the situation will be difficult to resolve until the State embraces an automated system. Yet, your Committee has also heard from other state agencies that have implemented an electronic form of record keeping, with excellent results.

Your Committee has heard from several state agencies that their collective bargaining agreements hamper their efforts to address employee abuse of overtime, sick leave, and leave without pay. On questioning, however, your Committee found that agency directors and managers were not always clear about what was contained in their collective bargaining agreements.

In questioning one state agency regarding why they have not pursued repayment of overpayments to the full extent allowed, your Committee found that the official responsible had misinterpreted the law. While your Committee understands that such misinterpretations may occur, your Committee is greatly concerned that the official neither requested nor was offered information on the correct interpretation of the law as he implemented it.

Your Committee has heard that there is no statewide manual to address overpayments, and also heard that there is such a manual. One agency indicated they are following an overpayment Executive Memorandum issued by former Governor Cayetano on October 1, 1996 (Memo No. 96-16), which established policies and procedures based on section 78-12(c) and (e), Hawaii Revised Statutes. Other agencies appeared not to be aware of that or any directives on the subject. On April 28, 2003, the Comptroller issued a memorandum to supplement the salary overpayment write-off procedures in former Governor Cayetano’s 1996 memo (Comptroller’s Memorandum No. 2003-13). On October 1, 2003, the Comptroller at that time issued a memorandum on monthly reporting requirement of Salary Overpayment Amounts (Comptroller’s Memorandum No. 2003-24, which was updated on April 28, 2004 (Comptroller’s

Memorandum No. 2004-11). It is unclear to your Committee what, if anything, is done with the required monthly reports to the Comptroller.

Your Committee further finds that on September 14, 2006, Governor Lingle issued Executive Memorandum No. 06-03, which revised the policies and procedures for salary and wage overpayment and superseded the 1996 Executive Memorandum issued by former Governor Cayetano. Governor Lingle's Executive Memorandum appears to have interpreted section 78-12, Hawaii Revised Statutes, far more leniently, which has had a detrimental effect on the State's efforts to collect for overpayments.

Section 78-12(f), Hawaii Revised Statutes, reads:

“(f) Regardless of whether a contested determination of indebtedness is pending, the disbursing officer shall commence immediate recovery of the indebtedness as provided in this subsection. If the indebtedness is equal to or less than \$1,000, the disbursing officer shall immediately deduct from any subsequent periodic payment normally due the employee any amount up to the total amount of indebtedness and for indebtedness greater than \$1,000, the disbursing officer shall deduct:

- (1) An amount agreed to by the employee and the appointing authority, but not less than \$100 per pay period; or
- (2) One-quarter of the salary, wages, or compensation due the employee until the indebtedness is repaid in full.

In addition to paragraph (1), an employee and the appointing authority may agree to offset any remaining amount of indebtedness by applying the current value of appropriate leave or compensatory time credits posted in the employee's respective accounts as balances that would otherwise be payable in cash upon separation from service; provided that credits shall not be applied to any extent that would require a refund of any moneys already deducted or repaid or that would require the payment of any moneys to the employee equivalent to a cashing out of leave or compensatory time credits.”

The 1996 Executive Memorandum stipulated that in the case of an overpayment (OP) greater than \$1,000, a department was “to deduct one-quarter of the employee's salary, wages or compensation per pay period, until the OP is repaid in full.” The 2006 Executive Memorandum, however, stipulated that for an OP greater than \$1,000, a department “deduct the amount agreed upon by the employer and employee until the OP is repaid in full. The minimum amount to be initially deducted is established by law at \$100 per pay period.”

Your Committee is astounded not only that the previous administration would choose to collect money legitimately owed to the State at the lesser level authorized by the statute, but that many in the current administration were not aware of this 2006 Executive Memorandum and that no attempt had been made to supersede it with a collection policy based on the full authorization of the law.

Throughout these hearings your Committee has questioned several state agencies regarding which department has the ultimate responsibility to ensure that compensation abuses do not continue and are addressed in a timely manner. Prior to the final hearing, your Committee had not received a satisfactory answer to the question. It was clear to your Committee that the absence of oversight by the administration as a whole has contributed to the continuation of these compensation abuses on the part of those employees who are adept at “gaming the system”. Your Committee was further troubled that there appeared to be limited – and inconsistent – initiatives by the various state agencies to “fix” the system. While your Committee fully understands that a state agency does not have the flexibility of a private sector business, there are means available to the administration, including legislation, that have not been fully explored to address these problems.

Your Committee was encouraged at the last hearing on these measures to find that the issue of accountability was finally being seriously addressed. The Department of the Attorney General will be reviewing the past and current Executive Memoranda on the policies and procedures for salary and wage overpayment recovery for possible revisions; working with the departments to ensure they are correctly interpreting and implementing section 78-12, Hawaii Revised Statutes; working with the departments to reconcile the status of collections; reviewing the State's overpayment policies and procedures; and considering legislation for introduction during the 2013 Regular Session.

In addition, the Department of Accounting and General Services will be preparing two overpayment reports to be distributed to the Governor's monthly cabinet meetings for discussion and resolution; issuing an updated Comptroller's Memorandum by the end of March 2012, reminding the departments of the State's overpayment collection procedures, policies, and laws; reviewing, with the Department of the Attorney General, relevant statutes that may require amendments; and reviewing, with the assistance of the Employees' Retirement System, the effects of overpayments on the retirement system. Your Committee understands that the Comptroller may issue additional memoranda to address these issues.

Your Committee has also heard a commitment by the agencies testifying in these hearings to work in a more collaborative manner to address the problems and issues uncovered by your Committee. Your Committee certainly hopes this will be the case, as many of the most troubling problems are years old.

Your Committee has amassed a considerable amount of data, documentation, and anecdotal accounts of compensation abuses that have a detrimental impact on the State's financial plan and the Employees' Retirement System. As noted by the State's Director of Finance, many of these issues—particularly overtime calculations by state agencies—lend a certain level of unpredictability to the budget process. For the Employees' Retirement System, the fiscal impact is not only significant, but it also presents a long-term problem for the agency and thousands of public worker retirees.

During the course of these hearings, your Committee has encountered problems that go far deeper than the members may have anticipated. As a result, it is difficult to assess the true cost to the State. Your Committee is in strong agreement that the audits in the two measures before your Committee are necessary and, in some cases, long overdue. Given the overlapping issues, and recurring problems in specific state departments, your Committee believes the Auditor should be given the flexibility to determine how many audits may be necessary, the most appropriate agencies to audit, and the scope of these audits.

Your Committee has amended this measure accordingly, by:

- (1) Amending the title to read: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT AUDITS OF STATE DEPARTMENT OPERATIONS THAT RESULT IN HIGH NON-BASE COMPENSATION OF STATE AND COUNTY EMPLOYEES, PAY FOR NOT WORKING, AND SALARY OVERPAYMENTS";
- (2) Replacing several findings with language to clarify the specifics of compensation issues relating to the impacts for the Employees' Retirement System;
- (3) Adding findings from S.C.R. No. 37, regarding the extent and impact of wage and salary overpayment;
- (4) Expanding the scope of the audit to include:
 - (A) An identification of such practices as failure to report to work nevertheless resulting in current compensation and leave credits and in future favorable impact on pensions;
 - (B) The full extent of overpayments to state employees, the total amount repaid, amounts still eligible for repayment, and amounts deemed uncollectable, by department;
 - (C) Efforts by the State to resolve the overpayments through timely and aggressive collections;
 - (D) A review of state agencies' personnel policies regarding overtime, sick leave, leave without pay, and other forms of compensation; and
 - (E) A review of collective bargaining agreements that address pay for not working;
- (5) Allowing the Auditor, in conducting the audits, to focus initial efforts additionally on departments that have:
 - (A) Employees in bargaining units with collective bargaining contracts that enable substantial non base compensation payments to occur; or
 - (B) Demonstrated contract management practices resulting in a pattern of overpayment of employees; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

It is the intent of your Committee to share the information presented at these hearings with the Auditor. While a considerable amount of data has been collected for the Auditor's review, additional records will be required. Given the scope of the task before the Auditor, your Committee would urge the departments to cooperate fully and expeditiously when requests for further information are made.

In addition, your Committee has requested that the Committee be kept apprised of further initiatives by Governor Abercrombie and the Administration to address the many problems uncovered during these hearings.

As affirmed by the record of votes of the members of your Special Committee on Accountability - 01 that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 34, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 34, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. 1-12 on H.B. No. 608

The purpose of this bill is to appropriate moneys, subject to dollar-for-dollar private matching funds, to support ongoing services provided by a qualified provider with Centers for Medicare and Medicaid Services certification to perform kidney and liver transplants in Hawaii and to support a federally-recognized chronic kidney disease management program.

Your Committee on Conference finds that an emergency appropriation is necessary to preserve and save the lives of individuals combating organ failure by providing them with essential access to organ transplantation in the State and giving these individuals quality care and treatment throughout operation and recovery.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 181 to the Legislature, requests immediate consideration and passage of this bill by the Legislature, citing the necessity of prompt attention to this matter to appropriate funds to support kidney and liver transplants in Hawaii.

It is your Committee on Conference's intent that of the \$1,800,000 appropriated for fiscal year 2011-2012:

- (1) \$1,500,000 shall be for supporting ongoing services by a qualified provider with United Network for Organ Sharing certification to perform kidney and liver transplants in Hawaii; and
- (2) \$300,000 shall be for supporting a federally-recognized chronic kidney disease management program.

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

- (1) Making an emergency appropriation, subject to dollar-for-dollar private matching funds, to support ongoing services by a qualified provider with United Network for Organ Sharing certification to perform kidney and liver transplants in Hawaii, and to support a federally-recognized chronic kidney disease management program;
- (2) Specifying an appropriation amount of \$1,800,000 for fiscal year 2011-2012;
- (3) Specifying that the funds appropriated in the bill shall be exempt from Chapter 42F, Hawaii Revised Statutes;
- (4) Changing the effective date of the bill to upon its approval; 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. 608, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 608, H.D. 3, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Chun Oakland and Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Yamane, Morikawa, Jordan, Mizuno, Wooley and Ching.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, 1 (Wooley).

Conf. Com. Rep. 2-12 on S.B. No. 239

The purpose of this measure is to:

- (1) Extend the authorization that allows the John A. Burns School of Medicine (JABSOM) to receive a portion of Hawaii tobacco settlement special fund monies for annual operating expenses until 2015 while reducing that portion of fund monies each fiscal year until the fiscal year ending on June 30, 2015;
- (2) Establish a University of Hawaii school of public health special fund, using a portion of Hawaii tobacco settlement special fund monies, to finance the establishment of a school of public health in JABSOM;
- (3) Establish the Hawaii medical doctors loan program and a special fund to support the program;
- (4) Establish the Hilo medical center rural interdisciplinary residency program special fund to implement and sustain the program; and
- (5) Direct a portion of JABSOM's share of the Hawaii tobacco settlement fund monies into the University of Hawaii school of public health special fund, Hilo medical center rural interdisciplinary residency program special fund, and Hawaii medical doctor loan program special fund from fiscal year 2012-2013.

Your Committee on Conference finds that JABSOM's authorization to use a portion of Hawaii tobacco settlement special fund monies to support the school's operations and train and graduate new physicians expired on June 30, 2011. Your Committee on Conference recognizes the tough financial situation the University of Hawaii is facing and through this measure will reinstate the use of Hawaii tobacco settlement special fund monies by JABSOM until June 30, 2015. It is the intent of your Committee on Conference that, in passing this measure and reinstating the use of Hawaii tobacco settlement special fund monies, JABSOM not encounter any delay in accessing and using these funds, operating as though the authorization allowing JABSOM to receive a portion of Hawaii tobacco settlement special fund monies had not expired.

Your Committee on Conference further finds that the University of Hawaii must develop and implement revenue generating practices that will allow JABSOM to become self sufficient and less reliant on Hawaii tobacco settlement special fund monies for its annual operating costs. As such, your Committee on conference believes that the University of Hawaii should prepare a financial plan detailing how it will fund JABSOM's operating expenses beginning July 1, 2015, when it is no longer authorized to use Hawaii tobacco settlement special fund monies. The financial plan should include an itemized list of all sources of funding for JABSOM, including monies from the general fund, trust funds, or the federal government.

Accordingly, your Committee on Conference has amended this measure by deleting its contents and inserting the contents of S.B. No. 239, S.D. 2 (2011), which extends the authorization allowing JABSOM to receive an unspecified portion of Hawaii tobacco settlement special fund monies and requires the University of Hawaii to account for revenues and expenditures relating to monies appropriated into the university revenue-undertakings fund and monies used for JABSOM's operating costs, and further amending this measure by:

- (1) Specifying that the portion of Hawaii tobacco settlement special fund monies to which the University of Hawaii is entitled shall be reduced to:
 - (A) Twenty-seven percent starting with fiscal year 2013-2014; and
 - (B) Twenty-six percent starting with fiscal year 2014-2015;
- (2) Specifying that the reductions in the University of Hawaii's portion of Hawaii tobacco settlement special fund monies shall be deposited to the credit of the general fund in addition to the:
 - (A) Twenty-five and one-half percent of monies deposited to the credit of the general fund for fiscal year 2013-2014; and
 - (B) Twenty-six and one-half percent of monies deposited to the credit of the general fund for fiscal year 2014-2015;
- (3) Specifying that any amounts in excess of the amounts required by JABSOM for its operating expenses shall be transferred in the succeeding fiscal year to the general fund;
- (4) Requiring the University of Hawaii to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 2013 through 2015 detailing its financial plan to fund JABSOM's operating expenses beginning July 1, 2015, when it is no longer authorized to use a portion of the Hawaii tobacco settlement special fund monies; and
- (5) Making this measure effective upon approval and repealing this measure on June 30, 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. 239, 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. 239, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Nishimoto, Oshiro, M. Lee, Nakashima and Ward.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. 3-12 on S.B. No. 809

The purpose of this measure is to increase the University of Hawaii's authorization to issue revenue bonds for the purpose of financing the construction and maintenance of qualifying projects.

Your Committee on Conference finds that increasing the University of Hawaii's authorization to issue revenue bonds by \$100,000,000 will allow the University of Hawaii to continue to address its growing capital facilities needs and complete as many of its priority capital facility construction, renovation, and repair projects as possible.

Your Committee on Conference further finds that this measure will provide the University of Hawaii with the financial flexibility it needs to improve and maintain its facilities for the successful accomplishment of its core education and research mission.

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

- (1) Specifying that the measure is recommended by the Governor for immediate passage pursuant to Article VII, Section 9, of the Constitution of the State of Hawaii;
- (2) Inserting \$300,000,000 as the maximum total principal amount of the revenue bonds authorized by this measure;
- (3) Inserting an appropriation amount of \$100,000,000 out of the revenue bond proceeds;
- (4) Making this measure effective upon its 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. 809, 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. 809, 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 Nishimoto, Yamashita, Nakashima, Saiki, Tokioka and Johanson.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 2 (Saiki, Tokioka).

Conf. Com. Rep. 4-12 on H.B. No. 905

The purpose of this measure is to increase efficiencies in the delivery of health and human services and to eliminate gaps in services by requiring the Director of Health and the Director of Human Services to collaborate with contracted health and human services providers to develop and update annually a health and human services delivery plan. This measure also furthers health and wellness initiatives in the State by requiring the Department of Health to create a workplace wellness pilot program.

Recognizing the time considerations involved in agency and provider collaboration in developing a sound health and human services delivery plan, your Committee on Conference has amended this measure by deleting its substance, and inserting therefor, provisions that amend section 103F-203, Hawaii Revised Statutes (relating to the collaboration of providers in an agency's effort to plan or purchase health and human services), to:

- (1) Require, prior to a state agency's release of a Request for Proposal for the competitive purchase of services, at the request of the agency, provider participation in the agency's development of a delivery plan for health and human services, including:
 - (a) Evaluating efficiencies in delivering existing services and recommending strategies for eliminating gaps in service delivery; and
 - (b) Recommending cost-efficient and effective service alternatives; and
- (2) Authorize a state agency to include a provision in a contract awarded under the State's Purchase of Health and Human Services law, a requirement that the provider participate in planning in the agency's development of a delivery plan for health and human services, provided that:
 - (a) Notice of the requirement is provided in the Request for Proposals; and
 - (b) Provider participation in the agency's development of a delivery plan does not disqualify the provider from submitting responses to Requests for Proposals.

This measure was also amended by changing its effective date to July 1, 2012. One technical, nonsubstantive amendment was also made for accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 905, 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. 905, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Mizuno, Morikawa, Jordan and Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 5-12 on S.B. No. 824

The purpose of this measure is to deem void 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 from any claim or liability for that party's negligence or intentional acts or omissions.

Your Committee on Conference 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 the motor carrier transportation services contract for acts of negligence or intentional acts or omissions, regardless of who is actually at fault.

Your Committee on Conference finds that a motor carrier should be held responsible for liability to the extent that the carrier is at fault. However, motor carriers often agree to indemnify the other party to secure work, so these indemnification provisions can become unreasonable conditions of a transportation services agreement that carriers are often unable to refuse.

Your Committee on Conference has amended this measure by inserting language to clarify that the provisions that shall be deemed void and unenforceable include provisions that purport to indemnify, defend, or hold harmless, whether in whole or in part, the indemnitee and that the provisions shall be deemed void and unenforceable to the extent that they seek to indemnify, defend, or hold harmless the indemnitee.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 824, 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. 824, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Herkes, Keith-Agaran, Ichiyama, Yamane and Fontaine.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. 6-12 on S.B. No. 2419

The purpose of this measure is to protect personal information while providing reasonable access in certain circumstances by allowing the scanning of personal information contained in a Hawaii identification card or driver's license for limited purposes only.

Your Committee on Conference finds that information contained on an individual's identification card or driver's license can be a source of identity theft. Because identity theft can have lasting negative repercussions on the life of the person whose identity is stolen, it is important to minimize the widespread use of this personal information. Your Committee on Conference further finds that a balance must be obtained between permitting responsible entities to lawfully use an individual's personal information while also protecting the privacy interests of individuals.

This measure addresses this issue by prohibiting the random scanning of a Hawaii identification card or driver's license by Hawaii businesses, prohibiting retention of any personal information obtained through scanning except in specific circumstances, and prohibiting businesses from selling or otherwise disseminating information obtained by scanning an individual's Hawaii identification card or driver's license to a third party.

Your Committee on Conference has amended this measure by:

- (1) Changing references to an "identity card" to "identification card", in order to clarify the forms of identification subject to this measure and conform to the definition of "personal information" in section 487N-1, Hawaii Revised Statutes; and
- (2) Inserting an effective date of upon approval.

Your Committee on Conference notes that this amended measure is the result of a compromise by various interested stakeholders affected 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. 2419, 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. 2419, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 7-12 on S.B. No. 2748

The purpose of this measure is to:

- (1) Require holders of unclaimed property not held in a safekeeping depository to pay or deliver all property to the Director of Finance upon filing their report to the Director of Finance;
- (2) Specify a maximum fee that professional unclaimed property locators may charge;
- (3) Allow an owner the right to assert that an agreement is invalid on grounds other than excessive or unjust compensation and allow the court to award reasonable attorney's fees to an owner who prevails in such an action; and
- (4) Correct a reference to the unclaimed property trust fund.

Your Committee on Conference finds that this measure makes Hawaii's law consistent with other states' laws by requiring the reporting and remittance of all unclaimed property at the same time. This measure also establishes a maximum ten percent fee for professional unclaimed property locators, allows the court to award reasonable attorney's fees to an owner who prevails in an action to contest fees charged by a professional locator, and clarifies a reference to the unclaimed property trust fund.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that an agreement that provides for compensation that exceeds ten percent of the total value of the property is unenforceable except by the owner;
- (2) Permitting the court to award reasonable attorney's fees to an owner who prevails in an action to reduce compensation to an amount not to exceed ten percent of the total value of the property; and
- (3) Inserting an effective date of 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 S.B. No. 2748, 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. 2748, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Hee, Espero, Taniguchi and Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Rhoads, Yamane, Har and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Har).

Conf. Com. Rep. 8-12 on S.B. No. 2640

The purpose of this bill is to allow the use of individual wastewater systems as an on-site means of wastewater disposal in lieu of county-operated wastewater treatment works, under certain circumstances.

Your Committee on Conference finds that with growing pressures on Hawaii's limited freshwater aquifers and aging and expensive wastewater collection and treatment facilities on each island, this measure facilitates Hawaii's sustainability efforts. Gray water recycling systems conserve water and reduce the burden on the environment and wastewater treatment facilities. Gray water is simply wastewater generated from domestic processes such as washing dishes, laundry, and bathing. The intent of your Committee on Conference is to lessen wastewater loading to county wastewater treatment plants. Your Committee on Conference notes that this measure requires the counties to adopt ordinances or administrative rules to effectuate this measure.

Your Committee on Conference has amended this measure by:

- (1) Changing the deadline for county rulemaking to December 31, 2014;
- (2) Excluding cesspools in special management areas, rather than in coastal areas, from the individual wastewater treatment systems for which counties may permit use; 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. 2640, 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. 2640, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Keith-Agaran, Coffman, Chang, Kawakami and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Chang).

Conf. Com. Rep. 9-12 on S.B. No. 2767

The purpose of this measure is to update the Insurance Code in conformity with the National Association of Insurance Commissioners' model acts relating to guaranty associations.

Your Committee on Conference finds that this measure will improve the operations of insurance guaranty associations by providing for greater uniformity among states and facilitating greater coordination among Hawaii's various guaranty associations. Among other things, this measure clarifies increased limits on covered claims and allows the Hawaii Life and Disability Insurance Guaranty Association the option of assuming an insolvent insurer's reinsurance contracts.

Your Committee on Conference further finds that this measure will provide additional benefits to the State's insurance consumers and will allow the State's insurance guaranty associations to fulfill their statutory purpose of protecting Hawaii policyholders and consumers.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the rights of subrogation and other equitable or legal remedies available to an association by removing language relating to structured settlement annuities;
- (2) Inserting an effective date of July 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. 2767, 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. 2767, 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, 5. Noes, none. Excused, none.

Representatives Herkes, Choy, Tsuji and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 10-12 on S.B. No. 2632

The purpose of this measure is to reduce the Land Court recording and registration backlog by:

- (1) Requiring all fee time share interests to be recorded in the Bureau of Conveyances system instead of the Land Court system; and
- (2) Streamlining the procedure for deregistering all remaining fee time share interests.

Your Committee on Conference finds that Act 120, Session Laws of Hawaii 2009, was intended to alleviate some of the backlog in Land Court recordings and registration by transferring fee simple time share interests from the Land Court system to the Bureau of Conveyances (regular) system. However, updating and recording the certificates of title for all fee time share interests, as required by Act 120, has exceeded the capacity of the Land Court. This measure is intended to ease the continuing backlog by requiring all fee time share interests to be recorded in the Bureau of Conveyances system instead of the Land Court system, and streamlining the procedure for deregistration of all remaining fee time share interests.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Assistant Registrar must note on the certificate of title for each fee time share interest all documents and instruments that were or are registered as of a date and time prior to deregistration and not yet noted on the certificate of title of the fee time share interest as of the date and time of deregistration;
- (2) Clarifying that the process for a new chain of record title for deregistered property applies to time share and non-time share property;
- (3) Inserting an effective date of July 1, 2012; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee on Conference notes that this measure represents a collaborative effort among the Judiciary, the Office of the Assistant Registrar, the Bureau of Conveyances, and interested stakeholders from the time share and title industries, and is intended as an efficient and workable solution for the benefit of government agencies and the public.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2632, 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. 2632, S.D. 1, H.D. 1, 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, 3. Noes, none. Excused, none.

Representatives Brower, Chang, Yamane, Rhoads, Tokioka and Marumoto.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, 1 (Yamane).

Conf. Com. Rep. 11-12 on S.B. No. 2745

The purpose of this measure is to add priority guidelines to the Hawaii State Planning Act, chapter 226, Hawaii Revised Statutes, to address the expected impacts of climate change.

Your Committee on Conference finds that the expected climate change effects for Hawaii include warmer temperatures and sea-level rise with resultant flooding, beach erosion, and damage to coastal property. Hawaii's existing climate change policy focuses primarily on mitigation or the reduction of greenhouse gases; however, it does not sufficiently address climate change impacts to Hawaii's natural and built resources. This measure will fortify planning for the effects of climate change. It provides a foundation for climate change considerations in all state and county planning and a statewide framework to guide state and county agencies and other stakeholders.

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. 2745, 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. 2745, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Dela Cruz, Ihara, Nishihara and Solomon.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Nishihara).

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

Conf. Com. Rep. 12-12 on S.B. No. 2769

The purpose of this measure is to:

- (1) Require all homeowners and motor vehicle insurers to provide, upon the Insurance Commissioner's request, insurance premium information to the Insurance Commissioner within thirty days of the request;
- (2) Require the Insurance Commissioner to publish a list of all homeowners and motor vehicle insurers with representative annual premiums for their insurance;
- (3) Authorize the Insurance Commissioner to adjust the rates for any class of insurance for any insurer if the Insurance Commissioner finds that the rates are excessive, inadequate, or unfairly discriminatory; and
- (4) Include advisory organizations in the rate filings and regulation process under article 14, chapter 431, Hawaii Revised Statutes, relating to rate regulation.

Your Committee on Conference finds that publication of premium information enables consumers to compare insurance rates. Your Committee further finds that making homeowners and motor vehicle insurance information more accessible will help Hawaii consumers make more informed decisions when purchasing insurance. Additionally, authorizing the electronic publication of this information provides the Insurance Commissioner with an alternative to address cost concerns associated with publication in a newspaper of general circulation.

This measure also protects Hawaii consumers by enhancing existing law that allows the Insurance Commissioner to require insurers to submit new rate filings when the current rates may be excessive, inadequate, or unfairly discriminatory.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the Insurance Commissioner's authority pursuant to section 431:14-103.3, Hawaii Revised Statutes, to mandate insurers to submit new filings for any type of insurance listed under section 431:14-102, Hawaii Revised Statutes;
- (2) Repealing section 431:10C-209.5, Hawaii Revised Statutes, relating to the Insurance Commissioner's authority to intervene to adjust motor vehicle insurance rates, in order to avoid conflict and overlap with the Insurance Commissioner's authority to adjust rates for any type of insurance listed under section 431:14-102, Hawaii Revised Statutes, which includes motor vehicle insurance;
- (3) Inserting an effective date of July 1, 2012; 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. 2769, 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. 2769, S.D. 2, H.D. 3, 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 (Galuteria, Slom).

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

Conf. Com. Rep. 13-12 on S.B. No. 2871

The purpose of this measure is to prohibit a person from using a mobile electronic device, including using the device for texting, while operating a commercial motor vehicle and to provide exemptions for certain persons.

Your Committee on Conference finds that this measure substantially conforms state law with federal regulations regarding the physical possession of commercial driving licenses and the prohibition of texting while operating a commercial motor vehicle.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2871, 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. 2871, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Keith-Agaran, Ichiyama, Ito and Fontaine.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 14-12 on S.B. No. 2402

The purpose of this measure is to require state agencies to use new and replacement outdoor light fixtures, in counties with a population of at least 100,000, that are fully shielded and have a correlated color temperature of four thousand Kelvin or less beginning July 1, 2014, with certain exemptions.

Your Committee on Conference finds that the Starlight Reserve Committee was established by Act 161, Session Laws of Hawaii 2009. The Starlight Reserve Committee held its first meeting in July 2010, and met on a regular basis throughout 2011. One of the tasks of the Starlight Reserve Committee was to develop proposed legislation for statewide intelligent lighting laws that reduce light pollution through proper shielding of outdoor lights in Hawaii. Your Committee on Conference further finds that this measure provides exemptions to reduce or eliminate additional costs related to the use of properly shielded lights, where appropriate.

Your Committee on Conference has amended this measure by inserting an effective date of 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 S.B. No. 2402, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2402, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Coffman, McKelvey, Ichiyama, Kawakami and Fontaine.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, 1 (McKelvey).

Conf. Com. Rep. 15-12 on S.B. No. 2765

The purpose of this measure is to update and streamline Hawaii's captive insurance company law to ensure that risk retention captive insurance companies comply with the accreditation standards of the National Association of Insurance Commissioners.

Your Committee on Conference finds that Hawaii is a leading captive insurance domicile, nationally and worldwide. Captive insurance companies domiciled in Hawaii provide significant business and economic advantages for the State. It is therefore important for Hawaii to maintain a regulatory structure for this industry that ensures Hawaii's continued position as a major captive insurance domicile.

This measure provides greater flexibility in the coverage of captive risks, enables the Insurance Commissioner to better regulate the captive insurance industry, ensures that risk retention captive insurance companies comply with the accreditation standards of the National Association of Insurance Commissioners, and promotes clarity and consistency throughout the captive insurance company law.

Your Committee on Conference notes that the Insurance Division of the Department of Commerce and Consumer Affairs and interested stakeholders affected by this measure have agreed that, rather than authorize the Insurance Commissioner to adopt rules to govern the coverage of controlled unaffiliated business for pure captive insurance companies, it is preferable to specify that no pure captive insurance company may insure or reinsure any risks other than those of its parent, affiliated entities, and controlled unaffiliated businesses, which shall be approved on a case by case basis.

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

- (1) Deleting the provision that would have permitted the Insurance Commissioner to adopt rules to govern the coverage of controlled unaffiliated business for pure captive insurance companies;
- (2) Specifying that the new section regarding applicability of other laws to captive insurance companies writing direct workers' compensation insurance policies be designated as section 431:19-115.7, Hawaii Revised Statutes;
- (3) Amending the definition of "controlled unaffiliated business" to clarify that all three conditions must apply to a controlled unaffiliated business;
- (4) Specifying that no pure captive insurance company may insure or reinsure any risks other than those of its parent, affiliated entities, and controlled unaffiliated businesses, which shall be approved on a case by case basis; 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. 2765, 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. 2765, S.D. 2, H.D. 2, 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, 5. Noes, none. Excused, none.

Representatives Yamane, Choy and Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 16-12 on S.B. No. 1276

The purpose of this measure is to:

- (1) Prohibit any state entity from establishing a basic health program, pursuant to the federal Patient Protection and Affordable Care Act, without the enactment of state legislation that explicitly authorizes or directs the establishment and operation of such a program; and
- (2) Authorize the Insurance Division of the Department of Commerce and Consumer Affairs to prepare a comprehensive study on the feasibility of establishing a basic health program in Hawaii.

Your Committee on Conference finds that a basic health program under the federal Patient Protection and Affordable Care Act is intended to provide health benefits to certain low-income individuals who do not qualify for Medicaid and who would otherwise be eligible to purchase health insurance through a state's health insurance exchange. Your Committee on Conference further finds that the federal government has not yet issued final rules to the states regarding the operation or financing of many aspects of the basic health program and as a result, many unknown factors involved in operating such a program remain.

Your Committee on Conference concludes that the creation of a basic health program in Hawaii is a significant policy decision that first deserves careful analysis of several important public health considerations. Legislative authorization for the establishment of a basic health program and a feasibility study are therefore necessary.

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

- (1) Clarifying that any state entity seeking to establish a basic health program pursuant to the federal Patient Protection and Affordable Care Act shall submit proposed legislation to the Speaker of the House of Representatives and the President of the Senate for introduction and consideration by the Legislature and requiring a report on the feasibility, plan for sustainability, and benefits of establishing a basic health plan to accompany the requested legislation;
- (2) Specifying that the Insurance Division of the Department of Commerce and Consumer Affairs is required to undertake a feasibility study of establishing a basic health program in Hawaii and clarifying the items to be analyzed in the feasibility study;
- (3) Specifying that the Insurance Division of the Department of Commerce and Consumer Affairs is required to submit a report of its findings and recommendations to the Speaker of the House of Representatives and the President of the Senate no later than twenty days prior to the convening of the Regular Session of 2013; and
- (4) Updating the purpose section of this measure to reflect its amended purpose.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1276, 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. 1276, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Espero, Chun Oakland, Taniguchi and Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Yamane, Mizuno, M. Lee, Jordan and Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Jordan, Mizuno).

Conf. Com. Rep. 17-12 on S.B. No. 3062

The purpose of this measure is to enact the Life Settlements Model Act, which establishes consumer protections in life settlement transactions in which the owner of a life insurance policy transfers the death benefit to another person or entity in return for compensation that is more than the policy's cash surrender value but less than its expected death benefit.

Your Committee on Conference finds that thirty-nine states currently regulate life settlements. Until its sunset in 2010, Act 177, Session Laws of Hawaii 2008, determined Hawaii's insurance regulation of life settlement contracts. Act 177 implemented the Life Settlements Model Act as adopted by the National Conference on Insurance Legislators and was intended to protect individuals, particularly senior citizens and those suffering from chronic or terminal illness, from fraudulent activity relating to the selling and buying of life insurance policies.

Your Committee on Conference further finds that life insurance policyholders could be open to victimization by unscrupulous persons or entities unless life settlements are once again regulated in the State. This measure will offer Hawaii's consumers and the elderly effective and comprehensive protection against stranger-originated life insurance transactions and other fraudulent life settlement practices.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a person is prohibited from entering into a premium finance agreement, rather than a premium finance loan, with any person or agency under certain conditions and specifying other prohibitions relating to premium finance agreements;
- (2) Inserting an effective date of July 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. 3062, 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. 3062, 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, Choy, Tsuji and Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 18-12 on S.B. No. 3002

The purpose of this measure is to establish that real estate brokers and salespersons cannot be held liable:

- (1) For misrepresentations based upon a good faith reliance on certain information; and
- (2) For failure to ascertain and disclose all material facts concerning a property if there was a good faith reliance on a prepared disclosure statement.

Your Committee on Conference finds that this measure provides that real estate brokers and salespersons are not liable, in several circumstances, for misrepresentations or for failure to ascertain and disclose all material facts. However, your Committee on Conference further finds that the amendments proposed by this measure are inconsistent with the national professional standards that govern real estate brokers and salespersons, which state that realtors must avoid misrepresentation without qualification. Your Committee on Conference therefore concludes that amendments to this measure are necessary to preserve the current standard of practice for Hawaii real estate licensees and protect a consumer's ability to seek redress.

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

- (1) Deleting language stating that real estate brokers and salespersons shall not be held liable for misrepresentations based upon a good faith reliance on specific information;
- (2) Deleting language stating that real estate brokers and salespersons shall not be held liable for failure to ascertain and disclose all material facts concerning a property if there was a good faith reliance on a prepared disclosure statement; and
- (3) Clarifying that the Real Estate Commission shall consider whether a real estate licensee relied in good faith on information provided by other persons or third parties.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3002, 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. 3002, S.D. 2, H.D. 1, 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, 3. Noes, none. Excused, none.

Representatives Yamane, Keith-Agaran, Tsuji and Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 19-12 on S.B. No. 2375

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

- (1) Permit producer owned and operated agricultural-based commercial operations in agricultural districts;
- (2) Include as permissible agricultural-based commercial operations:
 - (A) The preparation and sale of certain food grown on the premises or in the State by a producer owned and operated retail food establishment; and
 - (B) The sale of logo items related to a producer's agricultural operation; and
- (3) Include agricultural-based commercial operations under the definition of "farming operation" in the Hawaii Right to Farm Act, codified in chapter 165, Hawaii Revised Statutes.

Your Committee on Conference finds that this measure will provide agricultural producers with an additional outlet to sell their products. This measure will allow agricultural producers to explore creative ways to market their products to the community, while connecting the general public with locally grown agricultural products.

Your Committee on Conference has amended this measure by:

- (1) Amending what constitutes a permissible agricultural-based operation in an agricultural district by:
 - (A) Removing the requirement that agricultural products sold or displayed must be fresh and grown on the premises;

- (B) Clarifying that value-added products sold or displayed must have been produced using agricultural products grown in Hawaii rather than requiring these products to have been produced using raw Hawaii agricultural materials; and
- (C) Removing the requirement that retail activities that are offered for the sale and display of certain agricultural products be offered for sale directly to consumers;
- (2) Making this measure effective upon approval; 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. 2375, 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. 2375, S.D. 3, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 20-12 on S.B. No. 1500

The purpose of this measure is to amend the Revised Uniform Anatomical Gift Act by requiring a recipient to accept or reject an anatomical gift if that gift is medically suitable for transplantation, therapy, research, or education and regardless of whether another person, including family members of the donor, has made an anatomical gift.

Your Committee on Conference finds that this measure is intended to improve the quality of medical education in Hawaii by ensuring that the proper individuals and entities fulfill their obligation to effectuate anatomical gifts.

Accordingly, your Committee on Conference has amended this measure by changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1500, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1500, 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 Yamane, Keith-Agaran, Cabanilla, Morikawa and Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 21-12 on S.B. No. 2508

The purpose of this measure is to amend filing deadlines for preliminary and supplemental campaign spending reports to align with existing law or present practice.

Your Committee on Conference finds that the date of the primary election was advanced from the last Saturday in September to the second Saturday in August. This measure changes the existing statutory deadline for filing a candidate's first preliminary campaign spending report from July 31 of an election year to thirty calendar days prior to a primary election to avoid back-to-back filing deadlines of July 31 and August 1 for the first and second preliminary primary campaign spending reports, respectively, and to align accordingly with the August primary election date.

Your Committee on Conference further finds that this measure requires candidates to file a supplemental campaign spending report on January 31 of every year; not only after an election year, as stated under existing law. As present practice is to file a supplemental campaign spending report every year, your Committee on Conference believes that amending existing law is not necessary.

Accordingly, your Committee on Conference has amended this measure by changing the filing date for supplemental reports back to January 31 after an election year.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2508, 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. 2508, S.D. 2, 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, Tsuji and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ito).

Conf. Com. Rep. 22-12 on S.B. No. 2486

The purpose of this measure is to include threats to cause harm to the property of another person under the offense of terroristic threatening.

Your Committee on Conference finds that the original intent of this measure was to include pets and livestock as property that, if threatened to be damaged or harmed, may constitute the offense of terroristic threatening.

Accordingly, your Committee on Conference has amended this measure by inserting in section 707-715, Hawaii Revised Statutes, specific references to pets and livestock as property of another.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2486, 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. 2486, 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 Keith-Agaran, Ito and Fontaine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 23-12 on S.B. No. 2873

The purpose of this measure is to:

- (1) Exempt ancillary secondary actions, limited to the installation, improvement, renovation, construction, or development of infrastructure within an existing public right-of-way or highway, from the environmental impact statements law if certain conditions are met;
- (2) Require applicants, rather than affected agencies, to prepare environmental assessments for certain proposed actions; and
- (3) Mandate that the Office of Environmental Quality Control determine whether the preparation of the environmental assessment is required by an applicant when there is a question as to which of two or more state or county agencies has the responsibility of determining whether an environmental assessment is required.

Your Committee on Conference finds that if environmental assessments and environmental impact statements are no longer required for certain actions, as proposed by this measure, the State will be able to realize administrative efficiencies. This measure contains provisions that overlap with Act 87, Session Laws of Hawaii 2009 (Act 87), as amended by Act 45, Session Laws of 2011 (Act 45), which enacted an exemption from the environmental impact statements law for projects that meet certain criteria. Due to the potential for conflicts between this measure and Act 87, as amended by Act 45, your Committee on Conference finds that Acts 87 and 45 should be repealed.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the definition of "secondary action";
- (2) Specifying that, in situations involving secondary actions that are exempt from chapter 343, Hawaii Revised Statutes, pursuant to this measure, where there is a question as to which agency is responsible for determining whether an environmental assessment is required, the Office of Environmental Quality Control is not required to determine whether preparation of an environmental assessment by an applicant is required;
- (3) Repealing Act 87, Session Laws of Hawaii 2009; and
- (4) Repealing Act 45, Session Laws of Hawaii 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. 2873, 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. 2873, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Coffman, Keith-Agaran, Ito and Fontaine.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 24-12 on S.B. No. 2221

The purpose of this measure is to provide greater protection for children by addressing instances of possession of particularly violent or egregious child pornography. Specifically, this measure amends the offense of promoting child abuse in the second degree to include possession of thirty or more images of child pornography where the content of at least one image contains a minor younger than the age of twelve, sadomasochistic abuse of a minor, or bestiality involving a minor.

Your Committee on Conference finds that child pornography is a permanent record of the actual sexual abuse, exploitation, and assault of innocent and helpless children. Your Committee on Conference further finds that Hawaii's child pornography laws should be strengthened and should distinguish between the various forms of child pornography. Currently, possession of any form of child pornography is covered under the offense of promoting child abuse in the third degree, but a violation is only a class C felony. This measure will amend the offense of promoting child abuse in the second degree, a class B felony, to include particularly violent or egregious child pornography.

Your Committee on Conference has amended this measure by changing the effective date from January 7, 2059, 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. 2221, 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. 2221, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Shimabukuro, Ihara and Slom.

Managers on the part of the Senate.

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

Representatives Mizuno, Keith-Agaran, Cabanilla, Jordan and Pine.

Managers on the part of the House.

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

Conf. Com. Rep. 25-12 on S.B. No. 2222

The purpose of this measure is to address the problem of "sexting", which involves minors taking nude pictures and videos of themselves or other minors, and transmitting the nude images to others by use of a cell phone or other form of electronic communication, by prohibiting:

- (1) Adults from soliciting minors to electronically transmit nude images of minors;
- (2) Minors from electronically transmitting nude images of themselves or other minors, or soliciting other minors to do so; and
- (3) A person from possessing a nude image transmitted by a minor, but making it an affirmative defense that the recipient made reasonable efforts to destroy the transmitted nude image.

Your Committee on Conference finds that the electronic transmission of youth-produced sexual pictures and videos, frequently referred to as "sexting", is a growing problem, particularly because the images can be shared with many people almost instantaneously. Once transmitted, the original transmitter has very limited ability to control or prevent further dissemination. Your Committee on Conference further finds that the images may be used as a commodity for exchange, and the threatened dissemination of these images may be used as leverage against the subject to force the subject to engage in behaviors that may cause embarrassment, at minimum, and possible mental or emotional harm.

Your Committee on Conference also notes concerns regarding the severity of the penalties under this measure and has amended this measure accordingly by:

- (1) Reducing the offense of promoting minor-produced sexual images in the first degree to a misdemeanor;
- (2) Reducing the offense of promoting minor-produced sexual images in the second degree to a petty misdemeanor; and
- (3) 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. 2222, 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. 2222, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Hee and Slom.

Managers on the part of the Senate.

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

Representatives Mizuno, Keith-Agaran, Cabanilla, Jordan and Pine.

Managers on the part of the House.

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

Conf. Com. Rep. 26-12 on H.B. No. 2594

The purpose of this measure is to propose an amendment to the Hawaii State Constitution authorizing the State to issue special purpose revenue bonds to assist dam and reservoir owners.

Your Committee on Conference has amended this measure by:

- (1) Changing the constitutional question to be printed on the ballot to specify that the proceeds from the special purpose revenue bonds are to be used to assist dam and reservoir owners to make their facilities compliant with current safety standards; and
- (2) Making technical 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. 2594, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2594, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Solomon, Hee, Kidani, Kouchi and Slom.

Managers on the part of the Senate.

Ayes, 4. Noes, 1 (Kidani). Excused, 1 (Hee).

Representatives Chang, Keith-Agaran, Har, Kawakami, Nakashima, Tsuji and Riviere.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, 1 (Riviere).

Conf. Com. Rep. 27-12 on H.B. No. 2595

The purpose of this measure is to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners upon the ratification of a corresponding constitutional amendment.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date of the measure to July 1, 2012; 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. 2595, 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. 2595, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Managers on the part of the Senate.

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

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

Managers on the part of the House.

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

Conf. Com. Rep. 28-12 on H.B. No. 1957

The purpose of this measure is to ensure that persons and entities governed by the federal Health Insurance Portability and Accountability Act of 1966 (HIPAA), who use or disclose individually identifiable health information in a manner that is consistent with HIPAA rules, shall be deemed to be in compliance with Hawaii's privacy laws and rules.

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. 1957, 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. 1957, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Baker, Hee and Slom.

Managers on the part of the Senate.

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

Representatives Yamane, Herkes, Keith-Agaran and Ching.

Managers on the part of the House.

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

Conf. Com. Rep. 29-12 on H.B. No. 1925

The purpose of this measure is to allow holders of class 1 manufacturer liquor licenses to sell beer, wine, or other specified liquor manufactured or distilled on the licensee's premises from fruits or other products grown in the State, in any quantity to wholesalers in original packages or for private use and consumption.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1925, 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. 1925, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Espero, Wakai and Slom.

Managers on the part of the Senate.

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

Representatives McKelvey, Yamane, Awana and Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. 30-12 on H.B. No. 2686

The purpose of this measure is to shield the owner of private property from liability for any injury or damage suffered by a person resulting from the owner providing emergency access to land, shelter, or subsistence to the person during a disaster in good faith and without remuneration, or expectation of remuneration, unless the injury or damage was caused by the gross negligence or intentional or wanton acts or omissions of the owner.

Your Committee on Conference has amended this measure by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2686, 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. 2686, 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, Har, Ito and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 31-12 on H.B. No. 2593

The purpose of this measure is to provide emergency rulemaking authority for agencies to address issues of imminent peril to natural resources or the health of the environment.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2012; 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. 2593, 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. 2593, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Chang, Coffman, Keith-Agaran, Har, Nakashima and Riviere.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 2 (Coffman, Riviere).

Conf. Com. Rep. 32-12 on H.B. No. 1984

The purpose of this measure is to:

- (1) Designate the month of February as “‘Ōlelo Hawai‘i Month” to celebrate and encourage the use of Hawaiian language;
- (2) Require that all newly created, replaced, or reprinted state and county documents, letterheads, symbols, and emblems contain accurate, appropriate, and authentic Hawaiian names and language, effective January 1, 2013; and
- (3) Specify that Hawaiian names and words be deemed accurate, appropriate, and authentic when printed in conformance with “Hawaiian Dictionary: Hawaiian-English, English-Hawaiian”, by Mary Kawena Pukui and Samuel H. Elbert, University of Hawai‘i Press, copyright 1986, or “Māmakā Kaiao: A Modern Hawaiian Vocabulary”, developed by Kōmike Hua‘ōlelo, the Hawaiian Lexicon Committee.

Your Committee on Conference has amended this measure by:

- (1) Adding “Place Names of Hawaii”, by Mary Kawena Pukui, Samuel H. Elbert, and Esther T. Mookini, University of Hawai‘i Press, copyright 1974 as an acceptable reference for determining the accuracy, appropriateness, and authenticity of Hawaiian names and words; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1984, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1984, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hanohano, McKelvey, Awana and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 33-12 on H.B. No. 1666

The purpose of this measure is to promote highway safety by amending the offenses of negligent homicide in the first degree, negligent homicide in the second degree, and negligent injury in the first degree to include provisions for incidents involving a vulnerable highway user.

Hawaii's roadways have often been called dangerous for pedestrians, cyclists, and others who legally use the public right of way without being in a motor vehicle. Unfortunately, when collisions occur between motor vehicles and these individuals, the outcome is often catastrophic. Amending the offenses of negligent homicide in the first degree, negligent homicide in the second degree, and negligent injury in the first degree to include provisions for incidents in which these vulnerable highway users are involved may, at the very least, increase driver awareness of these individuals.

Your Committee on Conference has amended this measure by clarifying that the term of "simple negligence" when used under the offense of negligent homicide in the second degree as applicable to the operation of a vehicle when it involves the death of a vulnerable user shall have the same meaning as that used for "simple negligence" under the offense of negligent homicide in the third degree under the Penal Code.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1666, 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. 1666, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs 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 Souki, Rhoads, Har and Fontaine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Har).

Conf. Com. Rep. 34-12 on H.B. No. 1543

The purpose of this bill is to prohibit a manufacturer or distributor of motor vehicles from recovering, or attempting to recover, from dealers its cost for reimbursing a dealer for warranty work as required by applicable law.

Your Committee on Conference has amended this bill by:

- (1) Requiring the Director of Commerce and Consumer Affairs to:
 - (A) Conduct a review of the costs of the repairs of motor vehicles, including the prices charged by dealers for warranty and non-warranty repairs; and
 - (B) Compare such costs to repairs performed by non-dealers; and
- (2) Changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1543, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1543, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Tokioka and Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 35-12 on H.B. No. 2623

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

- (1) Extend the same immunity that property held by spouses or reciprocal beneficiaries as tenants by the entirety would have from their separate creditors to conveyances of real property by spouses or reciprocal beneficiaries to joint or separate revocable trusts amendable by both parties, or each individual grantor, respectively, under specified conditions;

- (2) Ensure that the protection of a tenancy by the entirety to real property in the spouses' or reciprocal beneficiaries' trust continues after the death of one of the spouses or reciprocal beneficiaries;
- (3) Establish that if the property transfer is held invalid, or if the trust is revoked or dissolved, all real property held in trust is automatically deemed to be held by both spouses of reciprocal beneficiaries in tenancy by the entirety;
- (4) Establish that upon the divorce or annulment of spouses or the termination of a reciprocal beneficiary relationship the immunity of real property from claims of separate creditors shall immediately terminate and the property will be treated as tenancy in common;
- (5) Allow spouses or reciprocal beneficiaries to waive the tenancy by the entirety protection as to any creditor or any specifically described trust property;
- (6) Place the burden of proving immunity of the trust property from a separate creditor's claims on the spouses or reciprocal beneficiaries in the event of a dispute; and
- (7) Establish that the real property conveyed by the spouses or reciprocal beneficiaries is governed by the terms of the trust and is considered as a tenancy by the entirety property only for protection purposes.

Your Committee on Conference has amended this measure by:

- (1) Adding the requirement that the first and last name of the spouse or reciprocal beneficiary for their respective trusts, or the first and last names of both spouses or reciprocal beneficiaries for their joint trust, are included in the name of the trust as one of the specified conditions for real property conveyed by spouses or reciprocal beneficiaries to a revocable trust to receive the same immunity as spouses or reciprocal beneficiaries would have from their separate creditors as tenants by the entirety;
- (2) Changing the effective date to July 1, 2012; 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. 2623, 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. 2623, 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, Ito, Tsuji and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Thielen).

Conf. Com. Rep. 36-12 on H.B. No. 1788

The purpose of this bill is to update Hawaii's computer crime statutes by adding language mirroring Hawaii's identity theft statutes to better address the realities of modern cybercrime by, among other things:

- (1) Establishing a new offense of computer fraud in the third degree as a class C felony;
- (2) Adding new definitions related to computer crime, and incorporating the elements of phishing and spyware into all computer fraud offenses and unauthorized computer access offenses;
- (3) Changing the offenses of computer fraud in the first degree and unauthorized computer access in the first degree from class B to class A felonies;
- (4) Changing the offenses of computer fraud in the second degree and unauthorized computer access in the second degree from class C to class B felonies;
- (5) Changing the offense of unauthorized computer access in the third degree from a misdemeanor to a class C felony; and
- (6) Increasing the minimum value of identifying information obtained that constitutes unauthorized computer access in the first degree from \$5,000 to \$20,000.

Your Committee on Conference, upon further consideration and based upon the recommendations of the Department of the Attorney General, has amended this measure by:

- (1) Removing references to the use of phishing or spyware to obtain identifying information, from all computer fraud offenses;
- (2) Removing references to the use of phishing or spyware, from all unauthorized computer access offenses;
- (3) Removing references to "identifying information", from the offenses of computer fraud in the first, second, and third degree, and unauthorized computer access in the first and second degree;
- (4) Deleting the element of intent to facilitate the commission of a variety of offenses, from the offense of computer fraud in the first degree;
- (5) Deleting the addition of six new definitions related to computer crime;
- (6) Changing the effective date to upon its approval; and

- (7) 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. 1788, 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. 1788, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Keith-Agaran, Luke, McKelvey and Fontaine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 37-12 on H.B. No. 2232

The purpose of this measure is to require informed consent in certain circumstances before performing pelvic examinations on female patients.

Specifically, this measure prohibits a physician, osteopathic physician, surgeon, or student participating in a course of instruction, residency program, or clinical training program from performing a pelvic examination on an anesthetized or unconscious female patient unless:

- (1) The patient gives prior verbal or written informed consent to the pelvic examination;
- (2) The performance of a pelvic examination is within the scope of care for the surgical procedure or diagnostic examination scheduled to be performed on the patient; or
- (3) The patient is unconscious and the pelvic examination is required for diagnostic purposes.

It is the intent of this measure that pelvic examinations be conducted on an anesthetized female patient with the informed consent of the patient or on an unconscious female patient if the pelvic examination is required for diagnostic purposes.

Your Committee on Conference has amended this measure by clarifying the preamble to specify that:

- (1) The requirement of informed consent applies to pelvic examinations for medical, as well as training purposes; and
- (2) Informed consent ensures that the patient understands the procedure and its attendant risks and benefits and agrees to the procedure being performed.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2232, 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. 2232, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Keith-Agaran, Jordan, M. Lee, Nishimoto and Ching.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 38-12 on H.B. No. 2568

The purpose of this measure is to allow the Department of Health to designate an entity to perform services on its behalf relating to background checks for employment, volunteer, contracting, licensure, or certification purposes.

Your Committee on Conference has amended this measure by:

- (1) Removing redundant references to the Department of Health's designee in the provisions relating to a presumption of good faith for purposes of immunity from civil liability for actions based on criminal history record information;
- (2) Changing its effective date to upon approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2568, 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. 2568, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Keith-Agaran, Morikawa, Tsuji and Ching.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 39-12 on H.B. No. 2776

The purpose of this measure is to require operators of adult foster homes, adult residential care homes, assisted living facilities, and expanded adult residential care homes to obtain and maintain liability insurance. The measure also exempts operators of such homes and facilities that are operating under a contract with the Department of Human Services or the Department of Health and are in compliance with the liability insurance coverage requirements of the contract.

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. 2776, 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. 2776, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Mizuno, Keith-Agaran, Morikawa, Jordan and Ching.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. 40-12 on H.B. No. 2244

The purpose of this measure is to strengthen the State's ability to monitor the import and export of plant commodities.

Specifically, the measure authorizes the Department of Agriculture to make rules to:

- (1) Establish, maintain, and enforce compliance agreements with federal or state departments of agriculture as to the inspection of imported and exported plant commodities; and
- (2) Assess fees for conducting inspections required under the compliance agreements.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2244, 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. 2244, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 41-12 on H.B. No. 679

The purpose of this measure is to exempt National Rifle Association certified instructors from absolute liability for personal injury or property damage during the course of providing firearms training or safety courses or classes at a firing range to persons seeking to acquire a permit for the acquisition of a pistol or revolver in accordance with section 134-2(g)(4), Hawaii Revised Statutes (HRS). Additionally, this measure specifies that the exemption shall not be construed to relieve a National Rifle Association certified firearms instructor from any other applicable tort liability.

Your Committee on Conference notes that "firing range" is not defined in this measure; however, existing statutes contain reference to the term "firing range". Section 134-2, HRS, requires, as one alternative toward obtaining a permit, completion of a firearms training or safety course or class conducted by a state certified or National Rifle Association certified firearms instructor or a certified military firearms instructor that includes firing training at a firing range. Section 134-3, HRS, requires written notification from a firing range or target shooting business for nonresident aliens who wish to meet firearm registration requirements.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 679, 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. 679, 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 Aquino, Keith-Agaran, Cullen, Ito and Fontaine.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 42-12 on H.B. No. 1398

The purpose of this measure is to encourage joint ventures with private parties for the development of public housing by authorizing Hawaii Public Housing Authority to enter into partnership agreements or development agreements with private parties for the development of public housing projects.

Your Committee on Conference has amended this measure by changing its effective date to 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. 1398, 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. 1398, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Dela Cruz, Espero, Ige and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

Representatives Cabanilla, Chang, Kawakami, Ito and Pine.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 43-12 on H.B. No. 2589

The purpose of this measure is to clarify responsibility for the disposition of vessels abandoned on public property within the State.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2012; 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. 2589, 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. 2589, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Chang, Rhoads, Har, McKelvey and Riviere.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 44-12 on H.B. No. 1791

The purpose of this measure is to exempt a person convicted of manslaughter from a mandatory indeterminate term of 20 years imprisonment without the possibility of suspension of sentence or probation, but allows that person to be sentenced to an indeterminate maximum and minimum term of imprisonment to be determined by the court and paroling authority respectively.

According to law enforcement officials, current law is not clear about whether a sentence of probation is possible for a manslaughter conviction and if probation is imposed, the amount of jail time a court may impose as a condition of probation. This lack of clarity has led to courts and prosecutors throughout the State interpreting the law differently. This measure attempts to clarify this confusion.

Your Committee on Conference notes that traffic related fatalities are a serious issue and that persons convicted of certain offenses involving traffic fatalities should be dealt with accordingly. Presently, when a driver is convicted of manslaughter resulting from the operation of a motor vehicle, a court is required to revoke the driver's license to operate a motor vehicle. However, the length of time of the revocation remains unclear. Furthermore, there is no such license revocation provision for drivers convicted of negligent homicide in the first or second degree. Allowing the courts the discretion to impose license revocation periods as well as terms of imprisonment for certain violations up to a maximum period would help to ensure the safety of Hawaii's roadways.

Your Committee on Conference has amended this measure by:

- (1) Requiring the revocation of a license for a driver convicted of negligent homicide in the first or second degrees resulting from the operation of a motor vehicle;
- (2) Providing the court with discretion to determine the period of license revocation;
- (3) Specifying that a person whose license was revoked may not apply for, and the examiner of drivers may not grant, a new driver's license until the expiration of the period of revocation as determined by the court;
- (4) Providing the courts with discretion when determining terms of imprisonment for various offenses and stipulating maximum terms of imprisonment for these offenses;

- (5) Changing its effective date to upon approval; 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. 1791, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1791, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Keith-Agaran, Har and Fontaine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 45-12 on H.B. No. 2685

The purpose of this measure is to require the Department of Human Services to conduct a study to evaluate current asset limits for public assistance programs, including the Temporary Assistance for Needy Families program, and assess the effects of changing the asset limits for those programs.

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. 2685, 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. 2685, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 46-12 on H.B. No. 2175

The purpose of this measure is to exempt members of task forces convened by statute or resolution; executive order or proclamation; or invitation of the Legislature, Governor, or other state officer, to study a specific subject or issue for a specified period of time and to report to, offer a recommendation to, or advise the Legislature, Governor, or a state officer, from the requirements of the state ethics code.

Your Committee on Conference has amended this bill by changing the effective date to 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. 2175, 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. 2175, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamashita, Keith-Agaran, Tokioka and Ward.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 47-12 on H.B. No. 2004

The purpose of this measure is to protect consumers and legitimate businesses from unauthorized transportation services rendered for compensation by establishing a new criminal offense for these activities. Specifically, this measure, among other things:

- (1) Creates the misdemeanor offense of deception of a consumer in transportation services for hire if the person for a charge or other compensation transports a consumer other than by a bona fide transportation service;
- (2) Defines a bona fide transportation service to include a licensed taxi cab or a transportation service that meets certain specific requirements, including licensure and identification requirements; and
- (3) Requires the vehicle used in the commission of the offense of deception of a consumer in transportation services for hire to be:
 - (A) Impounded, with the vehicle owner being held liable for the costs of storage, towing, and other charges incident to seizure of the vehicle or any other cost involved; or

- (B) Subject to forfeiture if the vehicle used in the instant offense was used in the commission of a previous offense of deception of a consumer in transportation services for hire within the thirty-six months immediately preceding the instant offense.

According to tourism transportation industry representatives, complaints about illegal commercial transportation services that arrive ahead of scheduled pickups by legitimate businesses to collect customers and fares meant for the legitimate business have been mounting. Tourists have complained about being deceived into paying higher-than-quoted fares and additional payments and being driven to destinations without subsequent return transportation. This measure seeks to halt the activities of illegal transportation services that fail to comply with industry requirements, deceive customers, and steal the business of legitimate transportation operators.

Your Committee on Conference has amended this measure by deleting its contents and replacing it with language that continues to protect consumers and legitimate businesses from unauthorized transportation services rendered for compensation by modifying the relevant state of mind regarding the unlawful operation of motor carriers from “knowingly and wilfully” to “intentionally, knowingly, or recklessly”.

Your Committee on Conference has also amended this measure by:

- (1) Changing its effective date to July 1, 2012; 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. 2004, 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. 2004, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Rhoads, Ichiyama, Yamashita and Fontaine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Yamashita).

Conf. Com. Rep. 48-12 on H.B. No. 2513

The purpose of this measure is to provide the Department of Education with greater flexibility to administer and implement the statewide school health services program by repealing or modifying specified operational requirements established for a 1970 pilot project for health services.

Your Committee on Conference has amended this measure by:

- (1) Reverting back to established statutory language that:
 - (A) Requires that the administration of medication be done with the approval of the Department of Health rather than be based on a nursing assessment and consultation with the Department of Health; and
 - (B) Requires that the medication be necessary for the student’s attendance at school, rather than the student’s readiness to learn, in order for the medications to be administered by a school health aide;
- (2) Repealing, rather than modifying, the requirement that the Superintendent of Education adopt rules governing the statewide school health services program;
- (3) Deleting the savings clause; and
- (4) Making technical, nonsubstantive amendments for 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. 2513, 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. 2513, H.D. 1, S.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, Rhoads, Tokioka, Belatti, Takai and Johanson.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. 49-12 on H.B. No. 2347

The purpose of this measure is to authorize the counties to issue general obligation bonds that are secured by a pledge of receipts, including rates, rentals, fees, charges, taxes, or grants that are in addition to, and are not derived from, an undertaking or loan program for which the bonds are issued.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2347, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2347, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 50-12 on H.B. No. 2099

The purpose of this measure is to improve the efficiency of the workers' compensation system by allowing attorney's fees to be included in costs that may be assessed against a party who brings, prosecutes, or defends a workers' compensation claim without reasonable ground.

Hawaii's workers' compensation law was established as a "no fault" type of system where injured workers were provided with medical insurance and wage loss coverage for work-related injuries while employers were protected from civil liability resulting from these injuries. Unfortunately, due to the, at times, contentious nature of workers' compensation cases, claims and appeals proceedings are begun without reasonable grounds. Under current law, if the Director of Labor and Industrial Relations, the Labor and Industrial Relations Appeals Board, or any court finds that the proceedings have been brought without reasonable grounds, the whole costs of the proceedings can be assessed against the party that initiated the proceedings. However, a recent Hawaii Intermediate Court of Appeals ruling found that whole costs did not include attorney's fees. Your Committee on Conference finds that allowing reasonable attorney's fees to be assessed against a party who initiates baseless proceedings will help deter frivolous claims and appeals from being filed under Hawaii's workers' compensation system.

Your Committee on Conference has amended this measure by changing its effective date to 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. 2099, 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. 2099, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Rhoads, McKelvey, Yamashita, Choy and Fontaine.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 51-12 on H.B. No. 2326

The purpose of this measure is to extend the date for the Tax Review Commission to submit its report to the Legislature.

Your Committee on Conference has amended this measure by:

- (1) Deleting the preamble;
- (2) Changing the effective date to May 2, 2012; 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. 2326, 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. 2326, H.D. 1, S.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 Coffman, Choy, M. Lee, Yamane, Yamashita and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 2 (Yamashita, Thielen).

Conf. Com. Rep. 52-12 on H.B. No. 2502

The purpose of this bill is to help protect Hawaii homeowners by, among other things:

- (1) Allowing the Commissioner of Financial Institutions (Commissioner) to require all mortgage servicers to register with the Nationwide Mortgage Licensing System (NMLS);

- (2) Prohibiting any person licensed as a mortgage servicer from providing mortgage-loan modifications or any other services that would require licensing under chapter 454F, Hawaii Revised Statutes (HRS), without first complying with the licensure requirements of chapter 454F, HRS;
- (3) Allowing the Commissioner to establish relationships or contracts with the NMLS or other entities designated by the NMLS to collect and maintain records and process transaction fees or other fees related to licensees or other applicable persons;
- (4) To the extent reasonably necessary to participate in the NMLS, allowing the Commissioner to waive or modify, in whole or in part, by rule or order, any or all of the requirements of chapter 454M, HRS, and establish new requirements;
- (5) Allowing the Commissioner to use the NMLS as an agent for requesting information from and distributing information to the United States Department of Justice, any governmental agency, or any other source, as directed by the Commissioner; and
- (6) Providing that any person who violates chapter 454M, HRS, may be subject to an administrative fine of not more than \$7,000 for each violation; provided that \$1,000 of the aggregate fine amount per order must be deposited into the Mortgage Foreclosure Dispute Resolution Special Fund.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that, to the extent reasonably necessary to participate in the NMLS, the Commissioner may modify any or all of the requirements of sections 454M-4(e) and 454M-4(f), HRS; and
- (2) Retaining existing statutory provisions pertaining to violations of chapter 454M, HRS, and the related administrative fines.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2502, 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. 2502, 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, 3. Noes, none. Excused, none.

Representatives Herkes, Choy, Tsuji, Yamane and Riviere.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 53-12 on H.B. No. 2871

The purpose of this measure is to require the Department of Land and Natural Resources to establish a West Maui Ocean Recreation Management Area Advisory Committee comprised of users of the ocean to work with the Department on issues arising relating to the area, particularly the waters adjacent to Kaanapali.

Your Committee on Conference has amended this measure by:

- (1) Requiring that the Department of Land and Natural Resources establish the advisory committee no later than September 1, 2012;
- (2) Specifying that the advisory committee is temporary and shall expire on June 30, 2015;
- (3) Changing the composition of the temporary advisory committee to include one commercial boating enthusiast and one fishing enthusiast;
- (4) Exempting the temporary advisory committee members from the provisions of chapter 84, Hawaii Revised Statutes, with regard to participation on the temporary advisory committee;
- (5) Requiring the Department of Land and Natural Resources to submit an annual report to the Legislature no later than twenty days prior to the convening of each regular session until the expiration of the temporary advisory committee;
- (6) Changing the effective date to July 1, 2012; and
- (7) 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. 2871, 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. 2871, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 54-12 on H.B. No. 2328

The purpose of this bill is to provide for the more efficient collection of estate and transfer taxes by establishing a new chapter in the Hawaii Revised Statutes governing estate and generation-skipping transfer taxes.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the definition of a "decedent";
- (2) Specifying that the provisions established in this measure apply to decedents dying or taxable transfers occurring after January 25, 2012, and making the provisions of Chapter 236D, Hawaii Revised Statutes, Estate and Transfer Tax, inoperative after that date; 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. 2328, 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. 2328, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Choy, Giugni, Ichiyama and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 55-12 on H.B. No. 2290

The purpose of this measure is to require Children and Youth Day celebrations and public events to be held in the State Capitol area at specified times.

Your Committee on Conference has amended this measure by:

- (1) Removing the reference to the Children and Youth Day planning committee;
- (2) Authorizing, rather than requiring, the celebrations and public events to be held; 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. 2290, 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. 2290, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Ige, Kouchi, Fukunaga and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Ige).

Representatives Mizuno, Jordan and Pine.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. 56-12 on H.B. No. 2320

The purpose of this measure is to implement the recommended amendments of the Ignition Interlock Implementation Task Force to the ignition interlock law. Specifically, this measure, among other things:

- (1) Allows a person whose driver's license was revoked after December 31, 2010, to apply for a driver's license renewal, subject to the requirements of the ignition interlock law;
- (2) Enables a repeat intoxicated driver who is arrested after December 31, 2010, and is otherwise eligible to operate a motor vehicle with an ignition interlock system to obtain a motor vehicle registration and number plates, by requiring the Director of Transportation to remove any stopper imposed on the motor vehicle registration files;
- (3) Allows a person whose driver's license was revoked for life for multiple convictions for operating a vehicle under the influence of an intoxicant, among other persons, to petition for an ignition interlock instruction permit and establishes procedures to do so;
- (4) Repeals the requirement that the law enforcement officer making an arrest for operating a vehicle under the influence of an intoxicant take possession of the motor vehicle registration of a repeat intoxicated driver, remove the number plates, and issue a temporary motor vehicle registration and temporary license plates;
- (5) Repeals the requirement that notice of administration revocation of a license shall include a statement that the Director of Transportation may grant a special motor vehicle registration to a qualified household member or to a co-owner of any motor vehicle owned by the respondent under certain circumstances;

- (6) Repeals the requirement that the Director of Transportation administratively revoke the registration of any vehicle owned or registered to the respondent, and take custody of any number plates issued to the respondent, if the Director determines that the respondent is a repeat intoxicated driver;
- (7) Requires proof that the respondent has installed an ignition interlock device in any vehicle the respondent operates and has obtained motor vehicle insurance or self-insurance, before the Director of Transportation issues an ignition interlock permit during the license revocation period; and
- (8) Prohibits the issuance of an ignition interlock permit to a respondent who holds a license that is a learner's permit or instruction permit.

Over the past several years, Hawaii has had a high incidence of alcohol-related traffic fatalities. While enforcement of existing laws governing the operation of a vehicle under the influence of an intoxicant has had an impact on alcohol-related traffic fatalities, the Legislature determined that more needed to be done to substantially reduce the number of fatalities.

In response to alarming numbers, H.C.R. No. 28, H.D. 1, was passed during the 2007 legislative session, calling for a working group to be formed to study the issue of ignition interlock devices and make recommendations leading to legislation. As a result, the Ignition Interlock Implementation Task Force (Task Force) was formed in 2008, and presented its initial recommendations to the Legislature during the Regular Session of 2009 and made additional recommendations to the Legislature during the Regular Session of 2010. The culmination of the Task Force recommendations was the enactment of the Ignition Interlock Law in January of 2011.

The installation of ignition interlock devices, which prohibit a vehicle from being started until the driver of the vehicle passes a breathalyzer test that is connected to the ignition of the vehicle, has been shown to be an effective method of stopping alcohol-impaired drivers from getting behind the wheel of their vehicles. With an annual average of 5,500 arrests for operating a vehicle under the influence of an intoxicant in Hawaii each year, enactment of the Ignition Interlock Law was viewed as another step toward stopping the senseless tragedies of alcohol-related traffic fatalities. However, since the implementation of the Ignition Interlock Law in January of 2011, there remain several unresolved issues regarding this law, particularly with regard to repeat offenders and those with lifetime license revocations. This measure attempts to address these issues.

Your Committee on Conference has amended this measure by:

- (1) Changing the minimum period of time a person subject to a lifetime license revocation for operating a motor vehicle under the influence of an intoxicant needs to maintain an ignition interlock permit before filing a petition in district court to reinstate the person's license and privilege to operate a vehicle without an ignition interlock device from seven years to five years;
- (2) Conforming the requirements for the contents of a petition to reinstate eligibility for a license and privilege to operate a motor vehicle without an interlock device to reflect the five-year minimum period required between issuance of the device and petition to remove the device;
- (3) Requiring the district court to consider whether certain requirements are met in determining whether the petitioner may be granted an ignition interlock instruction permit;
- (4) Allowing the district court to consider any other factors, including but not limited to the petitioner's criminal and traffic record after receiving a lifetime license revocation, in determining whether the petitioner may be granted an ignition interlock instruction permit;
- (5) Requiring the district court to determine whether an order allowing the petitioner to apply for an ignition interlock instruction permit and requiring the removal of any stopper placed on the petitioner's motor vehicle registration files shall be issued;
- (6) Requiring a copy of the petition for reinstatement of a person's eligibility for license and privilege to operate a vehicle without an ignition interlock device to be served on the prosecuting attorney in the county in which the petition is filed;
- (7) Establishing additional information required to be included in the petition for reinstatement of a person's eligibility for license and privilege to operate a vehicle without an ignition interlock device including things such as:
 - (A) A certificate of service demonstrating the place, time, and manner of service of the petition on the prosecuting attorney;
 - (B) A certified record from the Hawaii Criminal Justice Information System that shows the petitioner's current criminal history record;
 - (C) A statement from the petitioner establishing where the petitioner has resided since the ignition interlock permit was issued; and
 - (D) A statement from the petitioner as to whether the petitioner has undergone substance abuse assessment and treatment and the outcome of this assessment and treatment;
- (8) Inserting language allowing the prosecuting attorney to submit a written request for a hearing on the petition for reinstatement of a person's eligibility for license and privilege to operate a vehicle without an ignition interlock device;
- (9) Inserting language regarding the conduct and disposition of hearings on the request for a petition under (8) above if the prosecuting attorney requests a hearing on the petition;
- (10) Stipulating that provisions allowing a petition to be filed for reinstatement of a driver's license and removal of the ignition interlock requirement shall not be interpreted to allow repeat intoxicated driving to be treated as a first time offense for purposes of relicensing;
- (11) Ensuring that the authority of the Child Support Enforcement Agency to request a license suspension for individuals not paying child support is not undermined;

- (12) Changing its effective date to July 1, 2012; and
- (13) 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. 2320, 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. 2320, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Keith-Agaran, Ichiyama, Har and Fontaine.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 57-12 on H.B. No. 2740

The purpose of this measure is to maintain the reduced cost of electricity generation fueled by naphtha by extending the sunset date of the reduced fuel license tax on naphtha used in a power-generating facility to December 31, 2017.

Your Committee on Conference has amended this measure by:

- (1) Changing the repeal date of the reduced fuel license tax on naphtha used in a power-generating facility to December 31, 2015; and
- (2) Changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2740, 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. 2740, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Coffman, Kawakami, Morikawa, Nakashima, Tokioka and Thielen.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, 1 (Morikawa).

Conf. Com. Rep. 58-12 on H.B. No. 1705

The purpose of this measure is to exempt from the state income and general excise taxes, privately-owned nonprofit public water systems that are federally tax-exempt under section 501(c)(12) of the Internal Revenue Code and supply potable water to communities that lack any access to public utility water services.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1705, 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. 1705, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Oshiro, Choy, Evans and Ward.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 59-12 on H.B. No. 1295

The purpose of this measure is to deter unlicensed contracting activity.

Specifically, the measure:

- (1) Adds a new part to Chapter 708, Hawaii Revised Statutes, that establishes:
 - (A) Misdemeanor and felony offenses relating to unlicensed contracting activity;
 - (B) Felony offenses relating to unlicensed contractor fraud; and
 - (C) A method for valuation of property in unlicensed contractor fraud cases; and
- (2) Amends the Uniform Professional and Vocational Licensing Act, Chapter 436B, Hawaii Revised Statutes, to clarify a provision relating to penalties for unlicensed contracting activity.

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

- (1) Clarifying that the offense of unlicensed contracting activity does not apply when the person is unlicensed only because of an inadvertent failure to renew a previously existing license;
- (2) Separating the offense of unlicensed contractor fraud into first and second degree offenses based upon the total value of the property obtained by commission of the fraud;
- (3) Changing the effective date to July 1, 2012; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1295, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1295, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Keith-Agaran, Herkes, Choy and Pine.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 60-12 on H.B. No. 2644

The purpose of this bill is to:

- (1) Require the Public Utilities Commission (PUC) to:
 - (A) Integrate and implement utility and regulatory best practices; and
 - (B) Establish a system to gather, assess, and update utility and regulatory best practices, and implement appropriate best practices; and
- (2) Allow the PUC to authorize preferential water carrier service rates by tariff for ratepayers that engage in agricultural activities.

Your Committee on Conference has amended this bill by removing the provisions requiring the PUC to:

- (1) Integrate and implement utility and regulatory best practices; and
- (2) Establish a system to gather, assess, and update utility and regulatory best practices, and implement appropriate best practices.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2644, 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. 2644, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ige, Green, Solomon and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Solomon).

Representatives Herkes, Oshiro, Hashem, Souki and Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Souki).

Conf. Com. Rep. 61-12 on H.B. No. 1892

The purpose of this measure is to ensure that the Reapportionment Commission has adequate funding to effectively carry out its mission by:

- (1) Placing the Reapportionment Commission within the Office of Elections for administrative purposes only; and
- (2) Requiring the Chief Election Officer, during each regular legislative session that immediately precedes an apportionment year, to request an appropriation for the Reapportionment Commission.

Your Committee on Conference has amended this measure by:

- (1) Making it effective upon its approval; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1892, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1892, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 62-12 on H.B. No. 2265

The purpose of this measure is to make the purchase of goods, services, and construction more efficient for state agencies.

Specifically, the measure:

- (1) Provides that procurements for construction greater than \$50,000 shall be secured by a payment bond, in addition to the performance bond that is already required;
- (2) Increases the maximum amount of a procurement for which small purchase procedures may be used from less than \$100,000 to less than \$250,000;
- (3) Makes permanent the amendments to section 103D-305, Hawaii Revised Statutes, made by Act 175, Session Laws of Hawaii 2009; and
- (4) Makes clarifying amendments and repeals outdated language.

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

- (1) Reenacting the sunsetted amendments made by Act 175, Session Laws of Hawaii 2009, to sections 103D-709, 103D-710(c), and 103D-710(e), Hawaii Revised Statutes, and the provision requiring the State Procurement Office to keep statistics on solicitations and awards protested;
- (2) Changing the effective date to June 30, 2012; and
- (3) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2265, 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. 2265, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Choy, Tsuji and Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 63-12 on H.B. No. 1875

The purpose of this measure is to implement the final recommendations of the Mortgage Foreclosure Task Force, which were submitted to the Legislature for the Regular Session of 2012, and other best practices to improve the mortgage foreclosures law and address related issues affecting homeowner association liens and the collection of unpaid assessments.

Specifically, this measure, among other things:

- (1) Amends section 667-60, Hawaii Revised Statutes, which makes any violation of the mortgage foreclosure law under Chapter 667, Hawaii Revised Statutes, an unfair or deceptive act or practice subject to enhanced penalties under Chapter 480, Hawaii Revised Statutes, to:
 - (A) Specify the types of violations under Chapter 667 that constitute unfair or deceptive acts or practices;
 - (B) Limit the types of violations that may void a title transfer of foreclosed property; and
 - (C) Establish a time limit for filing actions to void title transfers of foreclosed property;
- (2) Repeals the nonjudicial foreclosure process under Part I of Chapter 667, Hawaii Revised Statutes, to provide for a single nonjudicial foreclosure process under Part II of that chapter;
- (3) Makes permanent the process under Act 48, Session Laws of Hawaii 2011, for converting nonjudicial foreclosures of residential property to judicial foreclosures;
- (4) With regard to the temporary mortgage foreclosure dispute resolution program under Part V of Chapter 667, Hawaii Revised Statutes, for owner-occupants of residential property facing nonjudicial foreclosure:
 - (A) Makes the program permanent by repealing its sunset date;
 - (B) Repeals the prohibition against participants of the program converting their nonjudicial foreclosure proceedings to judicial actions; and

- (C) Streamlines the dispute resolution process;
- (5) With regard to condominium and planned community associations:
 - (A) Establishes an alternate power of sale process for the collection of unpaid assessments, modeled after the process set forth in Part II of Chapter 667, Hawaii Revised Statutes, as amended by the task force's recommendations;
 - (B) Places a time limit on recorded liens for unpaid assessments, excluding liens that automatically arise pursuant to law or the governing documents of the association, and provides that the recorded lien will not expire if proceedings to enforce the lien are instituted prior to the end of the time limit;
 - (C) Prohibits nonjudicial foreclosures of association liens arising solely from fines, penalties, legal fees, or late fees;
 - (D) Provides associations with notice of an owner-occupant's decision to participate in the mortgage foreclosure dispute resolution program; and
 - (E) Allows associations to proceed with a nonjudicial foreclosure, notwithstanding a stay of foreclosure proceedings arising from a dispute resolution case opening, if the association has not been notified of the foreclosure action by the foreclosing mortgagee or of the dispute resolution case opening;
- (6) With regard to planned community associations organized under Chapter 421J, Hawaii Revised Statutes:
 - (A) Provides these associations with the same options and protections as condominium associations with regard to association liens for assessments and the collection of unpaid assessments from tenants or rental agents; and
 - (B) Exempts these associations from the requirements of the mortgage foreclosure dispute resolution program and the process allowing owner-occupants to convert nonjudicial foreclosures to judicial foreclosures, to parallel the existing exemptions for condominium associations; and
- (7) Clarifies, improves, and corrects provisions of Act 48, Session Laws of Hawaii 2011, relating to mortgage foreclosures.

Your Committee on Conference finds that Act 162, Session Laws of Hawaii 2010, established the Mortgage Foreclosure Task Force to recommend policies and procedures to improve the way mortgage foreclosures are conducted in the State. Act 162 required the task force to submit its findings and recommendations, including any proposed legislation, to the Legislature for the regular sessions of 2011 and 2012.

Some of the task force's initial recommendations in its report to the Legislature for the Regular Session of 2011 were included in Act 48, Session Laws of Hawaii 2011, a far-reaching mortgage foreclosure reform measure. This measure implements the recommendations in the task force's final report to the Legislature for the Regular Session of 2012, along with other best practices, to further improve the mortgage foreclosures law and address related issues affecting homeowner association liens for unpaid assessments.

Your Committee on Conference finds that section 667-60, Hawaii Revised Statutes, currently provides that any violation of the mortgage foreclosures law under Chapter 667, Hawaii Revised Statutes, is an unfair or deceptive act or practice (UDAP) under section 480-2, Hawaii Revised Statutes. While this measure amends section 667-60 to enumerate specific UDAP violations under Chapter 667, this list of violations is not intended to be exhaustive. It should be noted that the federal Ninth Circuit Court of Appeals recently affirmed a federal bankruptcy court decision rendered before the enactment of section 667-60 and holding that a nonjudicial foreclosure violation for failure to publicly announce the postponement of a foreclosure sale constituted a deceptive practice under section 480-2 (*Kekauoha-Alisa v. Ameriquist Mortgage Company, et al.*, No. 09-60019 (9th Cir. March 26, 2012)). It is the intent of your Committee on Conference to uphold the ability of courts, in appropriate circumstances, to determine UDAP liability for violations of the mortgage foreclosures law that are not specifically listed in section 667-60.

In addition, your Committee on Conference finds merit in the provision from the S.D. 1 of this measure requiring that attorneys filing a judicial foreclosure action relating to a mortgage on residential property sign and submit an affirmation that the attorney has verified the accuracy of the documents submitted in the filing, under penalty of perjury and subject to applicable rules of professional conduct. This provision is modeled after a requirement established by the New York Judiciary to maintain the integrity of the foreclosure process. Your Committee on Conference notes a recent news report concerning an audit by San Francisco county officials of approximately four hundred foreclosures in the county from January 2009 to November 2011 that found about eighty-four percent of foreclosure sale files contained clear violations of the law and two-thirds had at least four violations or irregularities ("Audit Uncovers Extensive Flaws in Foreclosures, *The New York Times*, February 15, 2012). Such reports suggest how pervasive foreclosure abuses and irregularities may be across the nation. An attorney affirmation requirement will promote diligence and accountability in judicial foreclosure filings and help ensure that Hawaii's courts are not used as instruments of fraud in foreclosure actions.

Your Committee on Conference has amended this measure by:

- (1) With regard to attorney affirmations for judicial foreclosure filings relating to mortgages on residential property:
 - (A) Restoring the attorney affirmation provision from the S.D. 1 of this measure;
 - (B) Clarifying that the affirmation provision applies to attorneys filing on behalf of a mortgagee;
 - (C) Providing that the attorney affirmation provision applies to all pending judicial foreclosure actions filed by mortgagees for residential property prior to, as well as on and after, the effective date of this measure; and
 - (D) On July 1, 2017:
 - (i) Repealing the attorney affirmation provision described in subparagraph (A); and

- (ii) Putting into effect an alternate provision requiring an attorney who files a mortgage foreclosure action to affirm in writing, under penalty of perjury, that to the best of the attorney's knowledge, information, and belief the allegations in the complaint are warranted by existing law and have evidentiary support;
- (2) Restoring the provisions in current law prohibiting participants of the mortgage foreclosure dispute resolution program under Part V of Chapter 667, Hawaii Revised Statutes, from converting their nonjudicial foreclosure proceedings to judicial actions;
- (3) With regard to the time limit on filing actions to void the transfer of title to the purchaser in a foreclosure sale:
 - (A) Reducing the time limit from one hundred eighty days after recordation of the affidavit after public sale, to sixty days after recordation; and
 - (B) Applying the time limit only to nonjudicial foreclosures under Part II of Chapter 667, Hawaii Revised Statutes;
- (4) With regard to deficiency judgments to collect on any insufficiency of foreclosure sale proceeds to satisfy the debt:
 - (A) Deleting the new provision that would prohibit deficiency judgments against owner-occupants of residential properties sold in judicial foreclosures; and
 - (B) For nonjudicial foreclosures of mortgages conducted under Part II of Chapter 667, Hawaii Revised Statutes, prohibiting deficiency judgments only with respect to owner-occupant residential properties, unless the debt is secured by other collateral;
- (5) With regard to the new publication requirements for public notices of public sale for judicial foreclosures, nonjudicial foreclosures under Part II of Chapter 667, Hawaii Revised Statutes, and association nonjudicial foreclosures for the collection of unpaid assessments under the new part established in Chapter 667:
 - (A) Adding associations to the types of foreclosing entities subject to the new publication requirements for judicial foreclosures;
 - (B) For newspaper publications:
 - (i) Requiring that the newspaper be distributed within the geographic area of the property for at least one year, rather than six months, and to at least three percent of the residents of that geographic area, rather than at least one percent of those residents;
 - (ii) Defining "geographic area" to mean the real property tax zone of the property if located in the County of Hawaii, or otherwise the county in which the property is located; and
 - (iii) Repealing the newspaper criteria two years after the effective date of this measure, and thereafter requiring that the public notice appear in a newspaper that is published at least weekly and has a general circulation in the county in which the property is located;
 - (C) For website publications:
 - (i) Requiring the public notice to be published at least once by newspaper at least fourteen days prior to the public sale;
 - (ii) Authorizing publication on a state website at the discretion of the agency that maintains the website, but requiring that for owner-occupant mortgaged properties facing nonjudicial foreclosure under Part II of Chapter 667, Hawaii Revised Statutes, the public notice shall be published on a website maintained by the Department of Commerce and Consumer Affairs;
 - (iii) Specifying a filing fee of \$300 for publishing the public notice of public sale for owner-occupant mortgaged properties on the Department of Commerce and Consumer Affairs' website; and
 - (iv) Requiring the Department of Commerce and Consumer Affairs to make its website available for posting public notices of public sale for nonjudicial foreclosures of owner-occupant mortgaged properties under Part II of Chapter 667, Hawaii Revised Statutes, by August 30, 2012; and
 - (D) For nonjudicial foreclosures under Part II of Chapter 667, Hawaii Revised Statutes, and association nonjudicial foreclosures under the new part established in Chapter 667, changing the required foreclosure notice statement concerning publication of public notice of the public sale to specifically include the option to publish by newspaper, as well as on the Department of Commerce and Consumer Affairs' website;
- (6) Deleting the amendments to section 667-56, Hawaii Revised Statutes, to allow foreclosing mortgagees to complete nonjudicial foreclosure proceedings while the mortgagor is seeking a loan modification from the mortgagee or applying for a federal loan modification program, if the mortgagor is applying to the same entity for more than the third time;
- (7) Amending the title of Chapter 667, Hawaii Revised Statutes, from "Mortgage Foreclosures" to "Foreclosures", to accommodate the new provisions added by this measure that do not directly relate to mortgages;
- (8) Adding a severability clause;
- (9) Adding a savings clause;
- (10) Making this measure effective upon its approval; and
- (11) 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. 1875, 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. 1875, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Herkes, Keith-Agaran, Choy, Tsuji and Riviere.
Managers on the part of the House.
Ayes, 5, Ayes with Reservations (Riviere). Noes, none. Excused, none.

Conf. Com. Rep. 64-12 on H.B. No. 2078

The purpose of this bill is to foster consumer protection in the transient accommodation industry and enforce transient accommodations tax compliance by requiring:

- (1) Owners who reside outside of the State or on another island from the location of the transient accommodation to designate an agent residing on the same island as the transient accommodation; and
- (2) All advertisements and solicitations for transient accommodations to display the registration identification number and name of designated agent for the transient accommodations.

Your Committee has amended this bill by:

- (1) Requiring the designation of a “local contact” for transient accommodations rather than the employment of a “designated agent” for purposes of complying with this measure;
- (2) Deleting certain references and duties pertaining to a “designated agent”;
- (3) Deleting references to single owners that differentiated such owners from condominiums or other cooperative associations;
- (4) Changing the term “owner” to “operator” throughout for purposes of consistency with existing relevant statutes;
- (5) Requiring all operators of transient accommodations to designate a local contact;
- (6) Clarifying that a non-governmental entity with covenants, bylaws, and administrative provisions must provide the Department of Taxation with relevant information related to all owners of transient accommodations maintained in its records to avoid penalties;
- (7) Clarifying that only the registration identification numbers for all transient accommodations shall be displayed on web-based advertisements and solicitations;
- (8) Removing the requirement for the Department of Taxation to provide relevant information in relation to operators of transient accommodations on its website for the public;
- (9) Adding a sunset date of December 31, 2015; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

It is not the intent of your Committee on Conference that the term “transient accommodations” include resort time share vacation units and resort time share vacation interests subject to chapter 514E, Hawaii Revised Statutes, relating to time share plans.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2078, 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. 2078, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Brower, Herkes, Tokioka, Nishimoto, Tsuji and Ching.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 65-12 on H.B. No. 1054

The purpose of this measure is to assist communities to more effectively support their local libraries by, among other things:

- (1) Authorizing the Board of Education to enter into arrangements or contracts approved by the Governor with any specified tax-exempt nonprofit corporation whose primary purpose is the support of a library within the Hawaii State Public Library System to obtain the use of the books, property, and income of the tax-exempt nonprofit;
- (2) Authorizing the deposit of private donations into the Libraries Special Fund and requiring that moneys specified by a donor to be for the benefit of a specific library be disbursed to that library for its sole use;

- (3) Authorizing the State Librarian to create subaccounts within the Libraries Special Fund to itemize designated private donations;
- (4) Authorizing the head librarian of each library branch, with the approval of the State Librarian in consultation with the Board of Education, to allow the use of public library system facilities and grounds;
- (5) Requiring the net income or proceeds derived from the operation of concessions, vending machines, or other for-profit business enterprises operated within or on the grounds of State library facilities to be deposited into the Libraries Special Fund, with the Board of Education determining the amount;
- (6) Clarifying that a public library is not required to permit the use of its facilities and grounds in order for any entity to establish a tax-exempt nonprofit corporation; and
- (7) Repealing all reference to the Friends of the Library of Hawaii in specified sections of the Hawaii Revised Statutes.

The role the State's public library system plays in enhancing the lives of people in Hawaii's communities has continued to grow and so too does the importance of the organizations that support these vital public institutions. A strong public library system contributes to the economic, educational, and cultural vitality of both the State and the individual communities it serves. Your Committee on Conference hopes that passage of this measure will provide the opportunity for, and encourage, additional public-private partnerships to continue to benefit the state library system at the community level.

Your Committee on Conference also wishes to acknowledge the passion and dedication of those individuals who have given so enthusiastically and selflessly of their time and energy to support the libraries in their communities. Advocates tirelessly contributed to the development and evolution of this measure, which represents the legislative process at its finest.

Your Committee on Conference has amended this measure by:

- (1) Reinstating reference to the Friends of the Library of Hawaii;
- (2) Clarifying that the Board of Education may enter into arrangements and contracts approved by the Governor with affiliates of the Friends of the Library of Hawaii to obtain the use of the affiliate's books, property, and income;
- (3) Removing provisions permitting the deposit of private donations into the Libraries Special Fund;
- (4) Authorizing the head librarian of each library branch, under the specified conditions, to allow affiliates of the Friends of the Library of Hawaii, through and with the approval of the Friends of the Library of Hawaii, use of state library system facilities and grounds;
- (5) Deleting the requirement that the net income or proceeds derived from the operation of concessions, vending machines, or other for-profit business enterprises be deposited into the Libraries Special Fund, with the Board of Education determining the amount;
- (6) Deleting language clarifying that a public library is not required to permit the use of its facilities and grounds in order for any entity to establish a tax-exempt nonprofit corporation;
- (7) Deleting language specifying that book sales held within or on the grounds of any state library facility will not constitute concessions;
- (8) Requiring that all net proceeds received by the Friends of the Library of Hawaii from the operation of any concession, vending machine, or other activity through a state-wide contract within or on the grounds of any state library facility be deposited in the Friends of the Library of Hawaii Trust Fund;
- (9) Requiring the Friends of the Library of Hawaii, its affiliates, and any nonprofit organization that has used state library facilities for fundraising activities to:
 - (A) Deposit the net proceeds of those fundraising activities into individual accounts in a federally insured financial institution with specified conditions for the use of such funds;
 - (B) Prepare and submit to the State Librarian an annual financial statement including specified criteria, with the statement of the Friends of the Library of Hawaii to include the annual financial statements of its affiliates; and
 - (C) Keep true and accurate records of their fundraising activities, subject upon demand to inspection by the State Librarian, for not less than five years;
- (10) Requiring the State Librarian, after giving ten days notice, to revoke any license, permit, concession, or right of entry issued to any organization that fails to comply with the specified requirements;
- (11) Including definitions for "affiliate of the Friends of the Library of Hawaii" and "net proceeds";
- (12) Authorizing, rather than requiring the Board of Education to adopt rules; and
- (13) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1054, 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. 1054, H.D. 1, S.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, Yamashita, Hashem, Mizuno and Johanson.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Mizuno).

Conf. Com. Rep. 66-12 on S.B. No. 2103

The purpose of this measure is to:

- (1) Require registered nurses using reasonable judgment to carry out the orders of a licensed physician assistant practicing with physician supervision and acting as an agent of the supervising physician; and
- (2) Specify that if the nurse completes an accredited graduate-level education program to be recognized as an advanced practice registered nurse, the program must prepare the nurse for one of the four recognized advanced practice registered nurse roles instead of leading to a master's degree as a certified registered nurse anesthetist, nurse midwife, clinical nurse specialist, or nurse practitioner.

Your Committee on Conference finds that clarifying the scope of authority for physician assistants will relieve misunderstandings between hospital administrators, nurses, and other staff and facilitate the provision of better health care services.

Your Committee on Conference has amended this measure by:

- (1) Reverting back to the S.D. 2 version of this measure, which differs substantively by:
 - (A) Not amending the formal education requirements for recognition as an advanced practice registered nurse; and
 - (B) Changing the effective date to upon approval; and
- (2) Inserting a repeal date of July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2103, 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. 2103, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Herkes, M. Lee and Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 67-12 on S.B. No. 2341

The purpose of this measure is to authorize agricultural tourism activities in agricultural districts, including overnight accommodations of twenty-one days or less, within a county with a population greater than one hundred thousand people, but less than one hundred fifty thousand people; provided that the activities coexist with a bona fide agricultural activity and the county has adopted ordinances regulating agricultural tourism.

Your Committee on Conference finds that agricultural tourism has been successful in other areas of the United States, such as Napa Valley in California. The creation of more opportunities for farmers and ranchers to raise capital must be considered when looking at ways to make Hawaii more self-sufficient in food production.

Your Committee on Conference has amended this measure by:

- (1) Adding language to the purpose section to highlight potential agricultural tourism opportunities in the State, while recognizing the Legislature's intent to enable the counties to make their own determinations regarding the allowance of certain activities on, or uses of, land in agricultural districts;
- (2) Amending sections 205-2 and 205-4.5, Hawaii Revised Statutes, to:
 - (A) Clarify that the agricultural tourism activities are permitted for any one stay within a county that includes three or more islands and has adopted ordinances regulating agricultural tourism under section 205-5, Hawaii Revised Statutes; and
 - (B) Broaden the definition of "bona fide agricultural activity";
- (3) Repealing language in section 205-5(b), Hawaii Revised Statutes, which prohibits agricultural tourism activities within agricultural districts in the absence of a bona fide farming operation; and
- (4) Making this measure effective upon approval.

Your Committee on Conference further finds that this measure, as amended, will still require that agricultural tourism activities coexist with a bona fide agricultural activity in order for the agricultural tourism activities to be permissible within agricultural districts.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2341, 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. 2341, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Dela Cruz, Kim and Slom.

Managers on the part of the Senate.

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

Representatives Tsuji, McKelvey, Chang, Brower, Tokioka and Riviere.

Managers on the part of the House.

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

Conf. Com. Rep. 68-12 on S.B. No. 2646

The purpose of this measure is to encourage and support diversified agriculture and agricultural self-sufficiency in the State by providing an exemption from building permit requirements for nonresidential agricultural and aquacultural buildings or structures on commercial farms and ranches located outside of the urban district under certain conditions.

Your Committee on Conference finds 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.

Your Committee on Conference further finds that several other jurisdictions in the United States have either state statutes or county codes or ordinances that exempt agricultural buildings from zoning, building code, and building permit requirements. For example, Iowa, Illinois, and Arizona have exempted agricultural buildings from such requirements under the concept of "the right to farm." In adopting this measure and removing burdensome obstacles for Hawaii's agricultural and aquacultural communities, the State will be supporting the language and intent of article XI, section 3, of the Hawaii State Constitution, which requires the State to "promote diversified agriculture" and "increase agricultural self-sufficiency".

In addition, your Committee on Conference finds that this measure addresses the needs of Hawaii's agricultural and aquaculture community while being mindful of health and safety concerns.

Your Committee on Conference has amended this measure by:

- (1) Adding language to require that no later than January 1, 2013, each county shall establish a list of agricultural buildings and structures that are exempt from existing county building permit requirements and to establish requirements for agricultural buildings, structures, or appurtenances thereto that may be exempt;
- (2) Adding the requirement that upon completion or installation of the agricultural building, structure, or appurtenance thereto, the owner or occupier seeking a county permitting exemption shall provide the required written notice to the appropriate fire department and county building permitting agency within thirty days of the completion or installation;
- (3) Adding language to clarify that no electrical power and no plumbing systems shall be connected to the building or structure without first obtaining the appropriate county electrical or plumbing permit, and all such installations shall be installed under the supervision of a licensed electrician or plumber, as appropriate, and inspected and approved by an appropriate county or licensed inspector;
- (4) Adding language to require that disposal of wastewater from any building or structure constructed or installed pursuant to this measure shall comply with chapter 342D, Hawaii Revised Statutes;
- (5) Adding language to specify the types, dimensions, and specifications of buildings, structures, and appurtenances thereto that shall be included in each county's agricultural buildings and structures exemption list;
- (6) Specifying that if a county fails to establish an agricultural buildings and structures exemption list by January 1, 2013, the exemptions provided for in this measure shall constitute the county's exemption list;
- (7) Adding definitions for the terms "appurtenance" and "manufactured pre-engineered commercial building or structure";
- (8) Requiring the Department of the Attorney General to establish a task force to examine conflicts between state statutes, including this measure, county codes, and the interests of Hawaii's agriculture and aquaculture industries;
- (9) Requiring the task force to provide recommendations for potential solutions to any conflicts to the Governor no later than December 15, 2012;
- (10) Making this measure effective on July 1, 2012; 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. 2646, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2646, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Espero, Kouchi, Wakai and Slom.

Managers on the part of the Senate.

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

Representatives Tsuji, Chang, Hashem, Tokioka and Riviere.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 69-12 on S.B. No. 2746

The purpose of this measure is to replace Act 290, Session Laws of Hawaii 1997, relating to electric vehicles, with updated provisions to address the present state of the development and use of electric vehicles.

Your Committee on Conference finds that electric vehicle deployment is in its infancy. By many reports, the total number of electric vehicles in use has doubled over the past year. However, this growth is infinitesimal in relation to what is truly needed to wean Hawaii off of imported oil. The ownership and use of electric vehicles needs to be expanded multifold in the future. Act 290 was likely ahead of its time but continues to be effective in incentivizing the use of electric vehicles.

Your Committee has amended this measure by:

- (1) Changing the sunset date to June 30, 2020; 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. 2746, 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. 2746, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Coffman, Ichiyama, Kawakami and Fontaine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Ichiyama, Kawakami).

Conf. Com. Rep. 70-12 on S.B. No. 155

The purpose of this measure is to regulate the profession 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 on Conference 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 due to misconduct or lack of qualifications. 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. 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 public and private school-sponsored sports programs. 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 on Conference has amended this measure by:

- (1) Adding a provision to specify that the registration system for athletic trainers established by this measure shall be repealed on June 30, 2018;
- (2) Authorizing the Department of Commerce and Consumer Affairs to employ necessary personnel without regard to chapter 76, Hawaii Revised Statutes, to assist with the implementation and continuing functions of the registration system established by this measure;
- (3) Establishing a license and renewal surcharge of \$100 to account for the initial cost of establishing and maintaining the registration system established by this measure;
- (4) Specifying an appropriation amount of \$40,000 from the compliance resolution fund;
- (5) Inserting an effective date of July 1, 2012; provided that the registration requirements created by this measure shall become effective on January 1, 2013; 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. 155, 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. 155, S.D. 2, H.D. 1, 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, Tokioka, Chang and Marumoto.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 71-12 on S.B. No. 2787

The purpose of this measure is to support the stability and reliability of the Hawaii electric system by authorizing the Public Utilities Commission to:

- (1) Develop, adopt, monitor, and enforce electric reliability standards and interconnection requirements;
- (2) Contract for the services of a Hawaii Electricity Reliability Administrator to monitor and enforce standards, and perform other technical interconnection-related support functions; and
- (3) Establish procedures for interconnection on the Hawaii electric system and a surcharge to ensure the reliable operation of the Hawaii electricity system and overseeing of grid access on the system.

Your Committee on Conference finds that the reliability of Hawaii's electric system is a central issue the State must address to achieve the maximum penetration of renewable energy generation on its grid. Although Hawaii's electric utilities currently assume responsibility for maintaining system reliability, the rise in requests to connect to the grid with intermittent energy sources demands a more formalized and transparent interconnection process.

Your Committee on Conference further finds that the Public Utilities Commission is best positioned to undertake the responsibility of administering critical formal reliability standards to govern all segments of the electric power system. This measure provides the Public Utilities Commission with the necessary means to ensure that reliability standards and interconnection requirements are properly monitored, enforced, and funded.

Your Committee on Conference has amended this measure by inserting an effective date of 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 S.B. No. 2787, 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. 2787, S.D. 2, H.D. 1, 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 Coffman, Herkes, Kawakami, Tsuji and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Tsuji).

Conf. Com. Rep. 72-12 on S.B. No. 2825

The purpose of this measure is to:

- (1) Authorize the Department of Health to allow limited health insurer access to the Hawaii Immunization Registry; and
- (2) Authorize the Hawaii Immunization Registry to store minimal demographic information for individuals who have elected to refuse inclusion in the Registry.

Your Committee on Conference finds that the Hawaii Immunization Registry provides a current, centralized immunization-related medical history. Allowing controlled health insurer access to the Registry's immunization reports will aid in monitoring and improving the health of the insurer's member population and may assist in the formulation of strategies to improve immunization rates and thus decrease the incidence of vaccine-preventable disease in the State. Further potential benefits include the generation of improvements in public health and state-provided vaccine programs.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2825, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2825, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Herkes, Morikawa, M. Lee, Mizuno and Ching.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, 1 (Mizuno).

Conf. Com. Rep. 73-12 on S.B. No. 2056

The purpose of this measure is to require a defendant's probation officer to provide the court information regarding the defendant's compliance or non-compliance with probation prior to the court determining whether to grant an early discharge from probation.

Your Committee on Conference finds that under existing law, the court may grant early discharge from probation without input from a defendant's probation officer regarding that defendant's compliance with probation terms. This measure serves as an additional tool for the courts to use in their assessment and determination of whether a defendant should be discharged from probation early.

Your Conference on Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2012; 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. 2056, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2056, H.D. 2, 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, Har, Luke, Mizuno and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Luke, Mizuno).

Conf. Com. Rep. 74-12 on S.B. No. 2001

The purpose of this measure is to amend the Hawaii State Planning Act to include, as a policy of the State, promoting the development of indigenous renewable energy resources located on public trust land as an affordable and reliable source of firm power for Hawaii and to require consultation and public input from the Native Hawaiian community and general public when developing projects with public land trust lands.

Your Committee on Conference finds that renewable energy resources are assets of the public trust but have not been adequately recognized or developed by the State as such. Trust law requires the State, as trustee of these renewable energy assets, to ensure that there is a direct benefit for the beneficiaries of the public trust land who are Native Hawaiians and the public. Specifically, geothermal resources have been developed to generate electricity on the island of Hawaii for more than seventeen years. However, the development of geothermal resources has yet to create a real or direct benefit to the residents of the land from which the resources are sourced.

Your Committee on Conference has amended this measure by:

- (1) Substituting the reference to "indigenous renewable energy" with "indigenous geothermal energy"; and
- (2) Inserting an effective date of 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 S.B. No. 2001, 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. 2001, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Coffman, Chang, Hanohano, Kawakami, Nakashima, Yamashita and Thielen.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, 1 (Yamashita).

Conf. Com. Rep. 75-12 on S.B. No. 2763

The purpose of this measure is to amend the Secure and Fair Enforcement for Mortgage Licensing Act, chapter 454F, Hawaii Revised Statutes, to reflect recent changes in federal law and adjust fees in consideration of new regulatory requirements.

Your Committee on Conference finds that mortgage loan originators offer or negotiate the terms of residential mortgage loans or accept applications for these loans. These professionals are licensed under the Secure and Fair Enforcement for Mortgage Licensing Act, which this measure amends to incorporate new federal requirements designed to strengthen consumer protections relating to mortgage loan origination.

Your Committee on Conference further finds that this measure establishes a one-time application fee for mortgage loan originators who are sole proprietors and exempts these individuals from annual license renewal fees. Although the Nationwide Mortgage Licensing System is not able to easily program special fees for states to charge for specialized licensees, such as sole proprietors, a fee adjustment may be possible if sole proprietors paid all required fees through the Nationwide Mortgage Licensing System then requested the State to reimburse any fees the Division of Financial Institutions chose to waive.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have established a one-time application fee for mortgage loan originators who are sole proprietorships and would have exempted these individuals from annual license renewal fees; and instead adding language to require the Division of Financial Institutions to reimburse every mortgage loan originator company that consists of a non-exempt single individual who is engaged in the business of a mortgage loan originator as a sole proprietorship for fees paid for the mortgage loan originator initial application and annual license renewal fees;
- (2) Clarifying the application of the new definition of "housing finance agency" to nonprofit organizations;

- (3) Adding a definition of “Nationwide Mortgage Licensing System” to reflect that this entity is alternatively known as the “Nationwide Mortgage Licensing System and Registry”;
- (4) Making conforming amendments to effectuate the reduction of the time limit, from six months to thirty days, for an applicant for licensure to demonstrate continued efforts to complete the licensing application;
- (5) Deleting language that would have increased the initial application fee by \$100 and the annual license renewal fee by \$50, with respect to the fees that a mortgage loan originator must pay to obtain and maintain a valid mortgage loan originator license;
- (6) Deleting language that would have increased by \$50 the fees a licensee must pay to the Insurance Commissioner for certain amendments to information provided to the Nationwide Mortgage Licensing System;
- (7) Inserting an effective date of July 1, 2012; and
- (8) 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. 2763, 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. 2763, S.D. 2, 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, Choy, Tsuji and Riviere.

Managers on the part of the House.

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

Conf. Com. Rep. 76-12 on S.B. No. 2540

The purpose of this measure is to amend or repeal various sections of chapter 302A, Hawaii Revised Statutes (“HRS”), that:

- (1) Have already been accomplished and are no longer necessary to be codified in statute;
- (2) Impede rather than assist the Department of Education in meeting its core mission;
- (3) Fall under the purview of the Board of Education, such as policy and programmatic decisions;
- (4) Are already mandated by federal law and do not require codification in state statute; and
- (5) Are covered by another section of the HRS, Hawaii Administrative Rules, or Board of Education policy.

Your Committee on Conference finds that as a result of the constitutional amendment adopted in the 2010 general election, the Board of Education was required to transform from an elected board to an appointed board, with the appointments made by the Governor. This change presents a unique opportunity to review numerous sections of the HRS to determine if amending or reducing statutory restraints and requirements would assist the Board of Education and Department of Education in creating a more effective educational delivery system. This measure is consistent with S.C.R. No. 79 (2011), which requested that the Board of Education and Department of Education review applicable statutes to, in part, assist the Department of Education in meeting its core mission.

Your Committee on Conference further finds that the statutory revisions proposed by this measure do not diminish the role of the Legislature in overseeing the Department of Education and holding it accountable for the educational success of students, but rather place certain decision making authority in the best place possible.

In addition, your Committee on Conference notes that deleting outdated or duplicative sections of chapter 302A, HRS, does not in any way suggest that the Department of Education does not have proper legal authority to implement those programs or activities covered by those deleted sections. Rather, the Legislature is placing decision making authority over those certain programs and activities at the proper level, whether at the policy making level or the administrative level. Furthermore, your Committee on Conference urges the Department of Education to ensure that it has rules and policies in place to address the sections of chapter 302A, HRS, that are repealed by this measure.

Your Committee on Conference has amended this measure by:

- (1) Specifying that students may attend a school outside their service area, as determined by the Department of Education, when a geographic exception is requested and granted at the discretion of the Department or out-of-service-area attendance is mandated by the Department or federal law;
- (2) Inserting language to amend section 302A-1151.1, HRS, to:
 - (A) Specify that when the Department of Education considers closing a public school, it shall give reasonable consideration to making all or portions of the facilities of the public school available to charter schools, to pre-plus programs, or for any other purpose the Board of Education deems appropriate, rather than limit such use to charter schools;
 - (B) Repeal the language establishing a procedure for the selection of charter schools to use vacant school facilities; and
 - (C) Require the Department of Education to identify unused public school facilities that may be appropriate for charter schools, early learning programs, such as pre-plus programs, or any other purpose the Board of Education deems appropriate;

- (3) Inserting language to repeal various requirements under section 302A-1502.4, HRS, relating to the Hawaii 3R's school repair and maintenance fund;
- (4) Repealing section 302A-401.5, HRS, relating to the Hawaii teacher cadet program;
- (5) Repealing section 302A-1506.5, HRS, which requires the Department of Education to identify sites for early education;
- (6) Repealing section 302B-3.6, HRS, which sets forth the process by which charter schools may use vacant public school facilities;
- (7) Deleting language that requires any existing rule, ordinance, executive order, directive, or provision in a collective bargaining agreement in existence on the effective date of this measure that is inconsistent with this measure to be amended to conform with this measure;
- (8) Inserting a savings clause to clarify that nothing in this measure shall affect any rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date;
- (9) Making this measure effective 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. 2540, 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. 2540, 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, Saiki and Johanson.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Saiki).

Conf. Com. Rep. 77-12 on S.B. No. 2800

The purpose of this measure is to add exemptions from child care licensing by the Department of Human Services for any kindergarten, school, or child care program licensed by the Charter School Review Panel, the Hawaii Council of Private Schools, or any federal agency and for child care programs conducted by counties.

Your Committee on Conference finds that as kindergartens, schools, or child care programs are already licensed by the Charter School Review Panel, the Hawaii Council of Private Schools, federal agencies, or counties that administer them, there is no sufficient justification for the Department of Human Services to also license these kindergartens, schools, and child care programs.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2030, to July 1, 2013.

Your Committee on Conference notes the Hawaii Association for the Education of Young Children's opposition to the measure, as amended, to the extent that it includes licensing exemptions for child care programs conducted by counties for children from birth through age five who receive child care subsidies. Your Committee on Conference requests the Department of Human Services to confer with the Hawaii Association for the Education of Young Children to address and make recommendations to allay the concerns regarding children who receive child care subsidies. Your Committee on Conference also requests the Department to work with the Hawaii Association of Independent Schools and Hawaii Council of Private Schools, who already license private child care programs, to ensure that the program the Association and the Council develops meets the Department's licensing standards and that the Association and the Council have the capacity to take over the Department's responsibilities should they become responsible for licensing these programs.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2800, 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. 2800, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 78-12 on S.B. No. 2655

The purpose of this measure is to:

- (1) Establish provisions for the sale of portable electronics insurance;
- (2) Require vendors to hold a limited lines license to sell or offer coverage under a policy;

- (3) Establish sanctions for violations;
- (4) Establish requirements for termination of insurance; and
- (5) Establish initial and renewal licensing fees in unspecified amounts.

Your Committee on Conference finds that there is currently no statutory regulation of the provision of portable electronics insurance. This measure establishes a regulatory framework that provides important consumer protections and meaningful disclosures.

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement that an insurer have the consent of the vendor and enrolled customer to terminate or otherwise change the terms and conditions of a policy of portable electronics insurance;
- (2) Deleting the requirement that if an insurer terminates or otherwise changes the terms and conditions of a policy of portable electronics insurance, the insurer shall pay to the enrolled customer at least ten percent of the monthly insurance policy premium paid by the enrolled customer;
- (3) Establishing fees of \$150 for an initial license and \$150 per year for the initial or renewal term;
- (4) Inserting an effective date of January 1, 2013; 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. 2655, 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. 2655, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 79-12 on S.B. No. 2277

The purpose of this measure is to make permanent the Department of Land and Natural Resources' authority to enter into safe harbor agreements and habitat conservation plans and issue incidental take licenses pursuant to chapter 195D, Hawaii Revised Statutes.

Your Committee on Conference finds that the Department of Land and Natural Resources has issued eight habitat conservation plans and six safe harbor agreements, which have helped restore certain populations of nene, montane-nesting seabirds, and Hawaiian hoary bats. Because the plans and agreements have proven effective, the department is seeking to finalize ten new habitat conservation plans and three new safe harbor agreements. However, your Committee on Conference also finds that the existing procedure for enforcing rules, habitat conservation plans, and safe harbor agreements and accompanying licenses is problematic. Unforeseen emergencies inevitably arise, and when they do, effective remedies must be available. Because enforcement of these mechanisms has proven problematic, your Committee on Conference finds that section 195D-27, Hawaii Revised Statutes, which establishes provisions for the administrative enforcement of rules, habitat conservation plans, and safe harbor agreements and accompanying licenses, should be repealed.

Your Committee on Conference has amended this measure by:

- (1) Repealing section 195D-27, Hawaii Revised Statutes;
- (2) Extending the Department of Land and Natural Resources' authority to issue safe harbor agreements, habitat conservation plans, and incidental take licenses through June 29, 2017, rather than permanently authorizing the department to issue safe harbor agreements, habitat conservation plans, and incidental take licenses; and
- (3) Inserting an effective date of upon approval; provided that section 2 of the measure shall take effect on June 30, 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. 2277, 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. 2277, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 80-12 on S.B. No. 2810

The purpose of this measure is to amend the definition of “employment” under the workers’ compensation law, temporary disability insurance law, and the Prepaid Health Care Act by excluding from the definition certain domestic and day care services authorized by the Department of Human Services or provided through state-funded medical assistance to Medicaid-ineligible individuals by an individual in the employ of a recipient of social service payments.

Your Committee on Conference finds that this measure will provide valuable exemptions to the Department of Human Services, aged and disabled recipients of home- and community-based services, and recipients of state-funded home- and community-based services from having to provide workers’ compensation, temporary disability insurance, and prepaid health care due to their receipt of these services.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2810, 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. 2810, S.D. 1, H.D. 1, 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 (Shimabukuro).

Representatives Mizuno, Rhoads, Jordan, Yamashita and Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Yamashita, Pine).

Conf. Com. Rep. 81-12 on S.B. No. 1382

The purpose of this measure is to establish the Federal Higher Education Compliance and Educational Personnel Licensure and Certification Task Force (Task Force) to make recommendations to the Legislature regarding:

- (1) The State’s compliance with pertinent federal laws to ensure that state post-secondary educational programs qualify for federal student loan programs and other federal funding; and
- (2) Whether the licensing or authorization of educational institutions and their administrators and instructors should be consolidated and tasked to a single state agency.

Your Committee on Conference 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 student aid programs at for-profit, non-profit, and public institutions. The regulations also include requirements for state authorization of institutions that offer educational programs beyond secondary education for purposes of federal program eligibility.

Your Committee on Conference further finds that the State was unable to satisfy all of the requirements relating to state authorization by the July 1, 2011, deadline. However, the United States Department of Education provided the opportunity for states and institutions to receive an extension to July 1, 2013, for certain regulations. In the meantime, it is the intent of your Committee on Conference that the State proactively seek solutions by determining what actions and changes are required for the State to come into compliance with the new regulations.

Your Committee on Conference has amended this measure by:

- (1) Amending the purpose section to more accurately reflect the intent of the Legislature;
- (2) Deleting all language in this measure relating to the Task Force;
- (3) Inserting language to require the Auditor, among other things, to examine the Higher Education Act of 1965, as amended, and regulations pursuant to that Act, and recommend the best available options to the State, including a regulatory framework, to ensure the State’s compliance with provisions relating to the authorization of institutions that offer educational programs beyond secondary education;
- (4) Inserting language to require the Auditor to submit a report of the analyses performed pursuant to this measure to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013; and
- (5) 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. 1382, 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. 1382, 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 Nishimoto, Takumi, Yamashita, Tokioka, Belatti, Nakashima and Johanson.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, 1 (Yamashita).

Conf. Com. Rep. 82-12 on S.B. No. 3008

The purpose of this measure is to allow impoverished family court litigants an alternative to serving notice by publication, by allowing the posting of pleadings at the courthouse. Specifically, this measure allows family court plaintiffs or petitioners who are unable to afford to serve notice by publication to serve notice to a defendant or respondent by, after a due and diligent search for the defendant or respondent, mailing pleadings and process to the defendant or respondent and to the defendant's or respondent's closest known relative, and posting pleadings and process at the courthouse with the permission of the family court.

Your Committee on Conference finds that the rates to serve notice by publication in a daily newspaper of general circulation have increased dramatically over the past several years. This rate increase has made it difficult for impoverished litigants to find the funds necessary to cover the publication costs for legal notices. This measure will alleviate this financial burden on impoverished litigants and increase access to family court processes.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to September 1, 2012; 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. 3008, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3008, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Mizuno, Keith-Agaran, Jordan, Ito and Pine.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 83-12 on S.B. No. 243

The purpose 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 on Conference finds that chapter 304A, part VII, subpart D, Hawaii Revised Statutes, currently provides for the appointment of state commissioners to the Western Interstate Commission for Higher Education (WICHE) but does not 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 receive financial support from PSEP.

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 an average rate of return of thirty-nine percent. Your Committee on Conference believes that this measure will increase the likelihood of PSEP students returning to Hawaii.

In 2010, 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 the students and the State.

Your Committee on Conference has amended this measure by making it effective 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 S.B. No. 243, 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. 243, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nishimoto, Tokioka, Nakashima, Saiki and Johanson.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Saiki).

Conf. Com. Rep. 84-12 on S.B. No. 2773

The purpose of this measure is to update chapter 312, Hawaii Revised Statutes, to more accurately reflect the duties and responsibilities of the Board of Education, Hawaii State Public Library System, and State Librarian with respect to the Hawaii State Public Library System.

Your Committee on Conference finds that despite long-standing Board of Education and Hawaii State Public Library System practices, the Board of Education should play a more active role in overseeing the Hawaii State Public Library System.

As such, your Committee on Conference has amended this measure by:

- (1) Deleting the purpose section; and
- (2) Deleting the language in this measure that would have given the State Librarian certain responsibilities, duties, and powers currently held by the Board of Education pursuant to sections 312-1, 312-2, 312-4.6, 312-5, and 312-21, Hawaii Revised Statutes, but retaining language that authorizes the State Librarian to appoint one secretary and codifying that language under section 312-2.1, Hawaii Revised Statutes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2773, 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. 2773, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 85-12 on S.B. No. 240

The purpose of this measure is to:

- (1) Require one hundred percent of the physician workforce assessment fees in the John A. Burns school of medicine special fund to be used to address communication and implementation of federal health care reform and law, support and develop the medical home model, and support increases in physician reimbursements;
- (2) Extend the physician workforce assessment fee to July 1, 2015; and
- (3) Require the John A. Burns School of Medicine to prepare an annual, rather than biennial, report to the Legislature assessing the physician workforce.

Your Committee on Conference finds that the physician workforce assessment established 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 Committee on Conference further finds 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 and the formation and execution of tangible solutions are essential if the State is to adequately address the ongoing need for a strong physician workforce.

Your Committee on Conference has amended this measure by:

- (1) Extending the physician workforce assessment fee until June 30, 2017;
- (2) Requiring that no less than fifty percent of the total amount of assessment fees deposited into the John A. Burns school of medicine special fund be used for purposes identified by the Hawaii Medical Education Council to support physician workforce assessment and planning, including the recruitment and retention of physicians, for rural and medically underserved areas of the State;
- (3) Increasing the amount from the John A. Burns school of medicine special fund that may be expended annually from \$150,000 to \$245,000; and
- (4) Making this measure effective on June 29, 2012; provided that the requirements described in paragraphs (2) and (3) above shall be repealed on June 30, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 240, 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. 240, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, M. Lee, Morikawa and Pine.
 Managers on the part of the House.
 Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 86-12 on S.B. No. 2115

The purpose of this measure is to adopt the recommendations of the Charter School Governance, Accountability, and Authority Task Force (Task Force) by repealing chapter 302B, Hawaii Revised Statutes, and establishing a new charter school law that creates a solid governance structure for Hawaii's charter school system with clear lines of authority and accountability that will foster improved student outcomes.

Your Committee on Conference finds that the Task Force was established pursuant to Act 130, Session Laws of Hawaii 2011, in response to questions and concerns raised by policy makers and advocates alike about the integrity of Hawaii's charter school governance structure and the overall strength of Hawaii's laws in establishing clear lines of authority that ensure accountability of the charter school system.

Specifically, the goal of the Task Force was to provide clarity to the relationships, responsibilities, and lines of accountability and authority among stakeholders of Hawaii's charter school system, including the Board of Education, Department of Education, Charter School Administrative Office, Charter School Review Panel, and local school boards.

In conducting its work, the Task Force looked at various sections of the Charter School Model Law put forth by the National Alliance for Public Charter Schools and used the model law as a guide in compiling its recommendations to the Legislature. The Task Force was also fortunate to have the assistance and input of the National Association of Charter School Authorizers and the National Governors Association.

After in-depth examination and discussion, the Task Force concluded its work and issued its report and recommendations to the Legislature. This measure encapsulates the Task Force's recommendations.

Your Committee on Conference notes that Hawaii's charter schools are ranked each year by the National Alliance for Public Charter Schools (NAPCS). Last year, Hawaii's ranking fell from thirty-fourth place to thirty-fifth place, out of a total of forty-two states. NAPCS reviewed this measure and testified that if this measure passes the Legislature, Hawaii's rank would move up fourteen spots to be the state ranked twenty-first.

Your Committee on Conference further finds that this measure is a major departure from the current charter school law and believes that this measure will strengthen Hawaii's charter school system and will move Hawaii's charter schools toward greater student outcomes.

Your Committee on Conference has amended this measure by:

- (1) Amending the definition of "authorizer" to clarify that "authorizer" means an entity established under this measure with chartering authority;
- (2) Inserting a definition for the term "charter" to mean a charter application as approved by an authorizer;
- (3) Renaming the term "application" as "charter application" for purposes of clarity and consistency;
- (4) Clarifying that the Board of Education (Board) shall not approve any application for chartering authority until July 1, 2014, or until the Board adopts administrative rules, whichever is later;
- (5) Inserting language requiring the Board to execute an authorizing contract with an eligible authorizing entity within sixty days of deciding to grant chartering authority to the entity;
- (6) Clarifying that an authorizer shall not provide technical support to a charter school it authorizes in cases where the technical support will directly and substantially impact an authorizer's decision related to the authorization, renewal, revocation, or nonrenewal of the charter school; provided that this prohibition shall not apply to technical support that an authorizer is required to provide to a charter school pursuant to federal law;
- (7) Removing the requirement that an authorizer provide charter schools with an itemized accounting of the actual cost of services purchased from the authorizer by the charter school;
- (8) Removing language specifying the procedures for authorizers and charter schools to follow when a dispute arises as to charges for services purchased from an authorizer by a charter school;
- (9) Removing language specifying the deadline by which the Board must communicate to authorizers the requirements for the format, content, and submission of an annual report;
- (10) Clarifying that in selecting members of charter school governing boards, consideration shall be given to persons possessing strong financial and academic management and oversight abilities and human resource and fundraising experience;
- (11) Clarifying that all charter school employees and members of governing boards shall be subject to the Ethics Code, chapter 84, Hawaii Revised Statutes;
- (12) Inserting, as a requirement for certain funding eligibility for conversion charter schools managed and operated by nonprofit organizations, a minimum annual contribution of \$1 per pupil for every \$4 per pupil allocated by the Department of Budget and Finance for the operation of the conversion charter school;
- (13) Inserting figures to specify that the maximum total required per pupil contribution that a nonprofit organization that manages a conversion charter school shall be required to pay is \$1,650 for school years 2012-2013 through 2015-2016, and \$1,815 for school years 2016-2017 through 2020-2021;

- (14) Clarifying that an authorizer shall be responsible for managing, rather than collecting, analyzing, and reporting, all data from each charter school it oversees;
- (15) Clarifying that an authorizer shall require each charter school it oversees to submit an annual report, which shall include the status of the charter school's compliance with annual performance targets, as determined by its charter contract;
- (16) Inserting a deadline of September 1 by which an authorizer shall issue a charter school performance report and charter contract renewal application guidance to any charter school whose charter will expire the following year;
- (17) Specifying that charter schools have thirty days to respond to the authorizer's performance report;
- (18) Inserting a deadline of March 1 by which the governing board of a charter school shall be required to submit a charter renewal application to its authorizer;
- (19) Specifying that an authorizer must decide whether or not to renew a charter within forty-five days of the filing of a renewal application;
- (20) Adding language to clarify that the charter revocation and non-renewal process shall allow charter holders access to representation by counsel, subject to the requirements of section 28-8.3, Hawaii Revised Statutes;
- (21) Specifying that an authorizer shall report its action taken to renew, not renew, or revoke a charter to the Board within fifteen days of taking action;
- (22) Adding language to require that in the event of a public charter school closure for any reason, if the public charter school received an appropriation for capital improvements to its facilities, the charter school or its authorizer shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amounts appropriated, and requiring amounts received from the repayment to be deposited into the general fund;
- (23) Clarifying that in the event of a charter school's closure, other charter schools shall have the right of first refusal for the closed charter school's facilities if the facilities are owned by the State;
- (24) Adding language to authorize the Board to adopt administrative rules to govern charter transfers among authorizers;
- (25) Inserting a deadline of twenty days prior to the convening of each regular session of the Legislature by which the Board's annual report to the Governor, Legislature, and public shall be submitted;
- (26) Adding language to require that the Board's annual report shall include a discussion of all Board policies adopted in the previous year, including a detailed explanation as to whether each policy is or is not applicable to charter schools;
- (27) Changing the title of section 25 of the new charter school law to more accurately reflect the contents of the section;
- (28) Clarifying that charter schools and their employees, the State Public Charter School Commission (Commission) and its employees, and governing boards and their members shall be subject to the Ethics Code, chapter 84, Hawaii Revised Statutes;
- (29) Requiring charter schools to reimburse the Department of Education for the actual costs of administrative services rendered by the Department related to federal grants, subsidies, and supplemental grants in an amount not to exceed six percent of the charter school's federal grants, subsidies, or supplemental grants, whichever is appropriate;
- (30) Clarifying that no charter school may assess tuition;
- (31) Specifying that the maximum amount the Charter School Administrative Office may withhold for operational expenses is two percent of the annual charter school general fund allocation;
- (32) Clarifying that the salaries of the Charter School Administrative Office's Executive Director and staff shall be set by the Commission in accordance with chapter 89C, Hawaii Revised Statutes, rather than upon the recommendations of charter schools within the State, and with applicable law;
- (33) Adding language to clarify that the Charter School Administrative Office shall serve as the designated staff of the Commission;
- (34) Inserting language to make conforming amendments to section 302A-1302, Hawaii Revised Statutes, to require that beginning with fiscal year 2012-2013, and every year thereafter, each authorizer shall distribute the allocations due to each school it authorizes directly to the charter school;
- (35) Adding language to require that all rules, policies, procedures, guidelines, and other material adopted or developed by the Board to implement provisions of the Hawaii Revised Statutes that are made applicable to public charter schools prior to the effective date of this measure, remain in full force and effect until amended or repealed by the Board pursuant to chapter 91, Hawaii Revised Statutes;
- (36) Making this measure effective upon its approval; and
- (37) 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. 2115, 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. 2115, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Belatti, Rhoads, Yamashita, Takumi and Johanson.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 87-12 on S.B. No. 2766

The purpose of this measure is to update provisions in the Insurance Code relating to the regulation and administrative oversight of mutual benefit societies, fraternal benefit societies, and health maintenance organizations.

Your Committee on Conference finds that this measure clarifies the licensing and regulation process for mutual benefit societies, fraternal benefit societies, and health maintenance organizations by removing or revising certain provisions in the Insurance Code. This measure also establishes new fees to be paid by mutual benefit societies for the issuance, application, and renewal of a certificate of authority and the issuance of a certificate of registration. Presently, mutual benefit societies in the State pay no fees. Establishing these fees will promote parity between mutual benefit societies and the laws governing traditional insurance companies.

Although this measure also proposes to increase other existing fees associated with health maintenance organizations and fraternal benefit societies, your Committee on Conference notes that this measure's primary intent is to update the laws governing mutual benefit societies, fraternal benefit societies, and health maintenance organizations. Therefore, amendments to this measure are necessary.

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

- (1) Specifying the following fees to be paid by mutual benefit societies and collected by the Insurance Commissioner:
 - (A) \$150 for issuance of a certificate of authority;
 - (B) \$150 for filing of an application and documents required for issuance of a certificate of registration;
 - (C) \$150 for issuance of a certificate of registration; and
 - (D) \$150 for renewal of a certificate of authority;
- (2) Specifying a penalty of fifty percent of the fee for the renewal of a certificate of authority if the fee is not paid by a mutual benefit society before or on the renewal date;
- (3) Reverting to the existing statutory fee of \$7.50 for the filing of fraternal benefit societies' annual financial statements, rather than amending the fee;
- (4) Reverting to the existing statutory fee of \$7.50 for the annual licensing or renewal fee for a fraternal benefit society, rather than amending the fee;
- (5) Reverting to the following existing statutory fees to be paid by health maintenance organizations, rather than amending the fees:
 - (A) \$600 for filing an application for a certificate of authority or an amendment to a certificate of authority; and
 - (B) \$400 per year for renewal of a certificate of authority;
- (6) Inserting an effective date of July 1, 2012; 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. 2766, 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. 2766, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Herkes, Morikawa, Mizuno and Pine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Mizuno).

Conf. Com. Rep. 88-12 on S.B. No. 2742

The purpose of this measure is to change the composition of the Hawaii Community Development Authority (HCDA), decrease the membership of HCDA to nine voting members for each established district, and allow HCDA to lease all or a portion of the real or personal property constituting a project in the Kakaako Community Development District, without recourse to public auction or public notice for sealed bids.

Your Committee on Conference finds that the HCDA has had difficulty achieving quorum. This measure amends the membership to ensure a timely decision making process. Furthermore, your Committee on Conference finds that the HCDA is tasked to implement long lasting change in the Kakaako Community Development District. However, the definition for a "redevelopment project" states

that the commercial use of a redevelopment project may only be incidental in nature. Accordingly, your Committee on Conference finds it necessary to provide greater flexibility to the HCDA.

Your Committee on Conference has amended this measure by:

- (1) Prohibiting the small business representatives on HCDA from voting on matters concerning Heeia Community Development District;
- (2) Permitting county members on HCDA to vote on and be considered in determining quorum and majority only on issues not relating to the Heeia Community Development District;
- (3) Requiring the Governor to appoint three additional voting members to the HCDA to represent the Heeia 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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2742, 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. 2742, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Fukunaga, Galuteria, Shimabukuro and Slom.

Managers on the part of the Senate.

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

Representatives Chang, Har, Awana, Brower, Ito, Rhoads and Riviere.

Managers on the part of the House.

Ayes, 7. Noes, none. Excused, none.

Conf. Com. Rep. 89-12 on S.B. No. 2238

The purpose of this measure is to:

- (1) Establish monetary awards for whistleblowers for certain actions that may result in a Department of Taxation action for violations of tax laws;
- (2) Prohibit penalties from being added to tax underpayments of misstatements and erroneous claims for refund or credit of amounts on which certain other penalties are already imposed;
- (3) Require that nonprofit organizations receive notice before denial of a general excise tax benefit; and
- (4) Limit liability of persons having control of certain amounts held in trust for nonprofit organizations.

Your Committee on Conference finds that the prohibitions on additional penalties in this measure have been incorporated in another measure, and your Committee on Conference has several concerns regarding the proposed whistleblower language. Your Committee on Conference further finds that nonprofit organization provisions in this measure address problems that arose following the enactment of Act 155, Session Laws of Hawaii 2010.

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

- (1) Deleting the proposed language on monetary awards for whistleblowers;
- (2) Deleting the proposed language regarding the prohibitions on additional penalties for tax underpayments of misstatements and erroneous claims for refund or credit of amounts on which certain other penalties are already imposed;
- (3) Amending to the definition of “nonprofit organization” in section 237-41.5, Hawaii Revised Statutes;
- (4) Inserting an effective date of July 1, 2012; 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. 2238, 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. 2238, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Ige and Slom.

Managers on the part of the Senate.

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

Representatives McKelvey, Choy, Tsuji and Marumoto.

Managers on the part of the House.

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

Conf. Com. Rep. 90-12 on S.B. No. 2383

The purpose of this measure is to support health care services by extending the authorization to issue special purpose revenue bonds to assist The Queen’s Health Systems with the renovation and expansion of its health care facilities to June 30, 2018.

Your Committee on Conference finds that this measure will enable The Queen's Health Systems to renovate or construct new health care facilities, acquire new equipment and assets, and install new technology in order to provide an improved level of vital health care services to the State.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2013, to comply with section 39A-37, Hawaii Revised Statutes, which establishes a five-year bond authorization limit.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2383, 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. 2383, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Chun Oakland and Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Yamane, Morikawa and Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 91-12 on S.B. No. 2797

The purpose of this measure is to make permanent the provisions of Act 205, Session Laws of Hawaii 2010, that require an individual insured under QUEST, QUEST Expanded Access, or a fee-for-service program administered by the Department of Human Services to make two unsuccessful attempts at treatment with generic psychotropic medications before the Department of Human Services may cover a brand-name medication for a new prescription.

Your Committee on Conference finds that increasing numbers of people require treatment for mental health issues and that the cost of prescription psychotropic medications has increased substantially. Your Committee on Conference also finds that the use or attempt to use comparatively effective generic medications allows for cost-saving measures while preserving access to necessary treatment.

Your Committee on Conference has amended this measure by changing the effective date to June 29, 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. 2797, 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. 2797, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 92-12 on S.B. No. 2816

The purpose of this measure is to permit the Director of Health to adopt rules to provide that full accreditation by the Joint Commission on Accreditation of Healthcare Organizations demonstrates a hospital's compliance with all state-mandated licensing inspections for the duration of the accreditation.

Your Committee on Conference finds that accreditation and certification by the Joint Commission on Accreditation of Healthcare Organizations is a nationally recognized symbol of quality that reflects an organization's commitment to meeting advanced performance standards. This organization's accreditation survey is generally regarded as more thorough than a state's licensing survey, as the Joint Commission on Accreditation of Healthcare Organizations' standards are more regularly revised and updated to reflect the most current information, knowledge, and best practices regarding safe, effective, and quality care. Your Committee on Conference also finds that recognizing the Joint Commission on Accreditation of Healthcare Organizations' accreditation will allow staff and resources to be redeployed to attend to hospitals and health care facilities that do not have national accreditation.

Your Committee on Conference has amended this measure by changing the effective date to 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 S.B. No. 2816, 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. 2816, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Morikawa, M. Lee and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 93-12 on S.B. No. 2821

The purpose of this measure is to reduce the incidence of preventable deaths to persons with developmental or intellectual disabilities by allowing the Department of Health to conduct multidisciplinary and multiagency mortality reviews of the death of such persons and authorizing the disclosure of information relevant to the review while mandating confidentiality for certain information obtained.

Your Committee on Conference finds that efforts to identify and address issues of care that are related to the death of an individual with a developmental or intellectual disability are critical to reducing preventable deaths.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2821, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2821, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Chun Oakland, Nishihara and Slom.

Managers on the part of the Senate.

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

Representatives Yamane, Rhoads, Morikawa, Mizuno and Ching.

Managers on the part of the House.

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

Conf. Com. Rep. 94-12 on S.B. No. 2833

The purpose of this measure is to exempt domestic in-home and community-based services provided through state-funded medical assistance to Medicaid-ineligible individuals with developmental and intellectual disabilities from the Hawaii Prepaid Health Care Act and laws relating to unemployment insurance, workers' compensation, and temporary disability insurance.

Your Committee on Conference finds that this measure will allow individuals with developmental or intellectual disabilities greater access to needed services and increased flexibility in obtaining such services.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2833, 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. 2833, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Hee, Chun Oakland and Slom.

Managers on the part of the Senate.

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

Representatives Mizuno, Rhoads, Jordan, Yamashita and Pine.

Managers on the part of the House.

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

Conf. Com. Rep. 95-12 on S.B. No. 3006

The purpose of this measure is to establish a task force to study ways to prevent or control the problem of abandoned tires that litter the State.

Your Committee on Conference finds that the problem of illegal tire dumping is particularly evident in rural or isolated areas. Although organized cleanups may effectively clear the land, the results are often temporary, and refuse tires simply pile up once more. Consequently, your Committee on Conference finds that the generation of new and innovative ideas to address this problem is of critical importance.

Your Committee on Conference has amended this measure by:

- (1) Adding representatives from the Naval Facilities Engineering Command and Ka Wai Ola O Waianae to the membership of the task force; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3006, 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. 3006, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Gabbard, Chun Oakland, Shimabukuro and Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

Representatives Coffman, Kawakami, Awana, Jordan and Thielen.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 96-12 on S.B. No. 2737

The purpose of this measure is to:

- (1) Authorize the use of interactive conference technology to increase the ability of members of state and county boards and commissions and the public to participate in or attend board meetings; and
- (2) Clarify the requirements regarding the availability of visual aids where audio-only interactive conference technology is being used.

Your Committee on Conference finds that this measure will reduce the instances in which a board is unable to conduct business and the public is foreclosed from participating in government for lack of a quorum. As volunteers, most members of state and county boards and commissions have obligations that from time to time prevent them from attending a board meeting. More often, however, travel time to and from a board meeting is what keeps them from attending a meeting. Your Committee on Conference finds that this measure will allow board members to participate in their boards' meetings from locations closer to their homes, offices, or other locations.

Your Committee on Conference has amended this measure by:

- (1) Authorizing a board member with a disability that limits or impairs the member's ability to physically attend the meeting to participate in a board meeting from a location not accessible to the public; provided that the member with a disability is connected to other members of the board and the public by both visual and audio means, and the member identifies where the member is located and who, if anyone, is present at that location with the member;
- (2) Inserting an effective date of July 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. 2737, 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. 2737, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 97-12 on S.B. No. 2335

The purpose of this measure is to require the counties to concurrently process subdivision and special management area use permits under certain conditions to ensure that a special management area use permit is processed before final subdivision approval.

Your Committee on Conference finds that work on projects has been delayed or stalled due to special management area permitting requirements. There is a growing backlog on projects as a result of increasing amounts of minor construction projects and a shortage of county personnel in planning offices. This measure would expedite the process for the issuance of a special management area use permit and ensure the permit before final subdivision approval.

Your Committee on Conference has amended this measure 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. 2335, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2335, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Chang, Coffman, Har, Kawakami and Riviere.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 98-12 on S.B. No. 2318

The purpose of this measure is to:

- (1) Adopt the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act to ensure that only one state has jurisdiction in a guardianship and protective proceeding at any one time;
- (2) Adopt guidelines to specify which court has jurisdiction to appoint a guardian or conservator for an incapacitated adult; and

- (3) Prioritize which state may proceed with a petition in an adult guardianship or protective proceeding in the case of simultaneous proceedings in more than one state.

Your Committee on Conference finds that due to increasing population mobility, cases involving simultaneous and conflicting jurisdiction over guardianship are increasing. Even when all parties are in agreement, steps such as transferring a guardianship to another state can require that the parties re-initiate the process of establishing guardianship in the second state.

Your Committee on Conference also finds this measure provides uniformity and reduces conflict among the states and that to date, thirty jurisdictions including the District of Columbia have adopted the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act, and eight others including Hawaii are considering adopting it this year.

Your Committee on Conference has amended this measure by changing the effective date to September 1, 2014.

Your Committee on Conference notes the Judiciary's general concern with regard to the potential unintended consequences of this measure, such as families and guardians being subjected to increased complexity and procedure and possible conflicting definitions between federal and state law. Therefore, your Committee on Conference urges the Chief Justice to establish, if deemed appropriate by the Chief Justice, a working group within the Judiciary to facilitate the implementation of this measure. If the working group is established, your Committee on Conference respectfully requests the Chief Justice to share a report of the working group's activities with the Legislature.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2318, 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. 2318, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hee, Ihara and Slom.

Managers on the part of the Senate.

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

Representatives Mizuno, Rhoads, Jordan, Cabanilla and Pine.

Managers on the part of the House.

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

Conf. Com. Rep. 99-12 on S.B. No. 2813

The purpose of this measure is to authorize the use of monies in the disability and communication access board special fund to defray, rather than cover, costs of administering chapter 348F, Hawaii Revised Statutes, and directing all monies collected as application fees or fees for continuing education units for the credentialing of interpreters to be deposited into the special fund.

Your Committee on Conference finds that with the decline of available general funds, the Disability and Communication Access Board is exploring other forms of revenue generation. This measure will broaden the funding sources for the disability and communication access board special fund, giving the Board additional means to defray costs of administering chapter 348F, Hawaii Revised Statutes.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2030, to 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 S.B. No. 2813, 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. 2813, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Ige and Slom.

Managers on the part of the Senate.

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

Representatives Yamane, M. Lee, Morikawa, Tokioka and Ching.

Managers on the part of the House.

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

Conf. Com. Rep. 100-12 on S.B. No. 596

The purpose of this measure is to increase access by medically underserved resident populations to culturally appropriate primary health care services by appropriating funds to implement and sustain the rural interdisciplinary residency program at Hilo Medical Center.

Your Committee on Conference finds that Hawaii faces a primary health care provider shortage. The increasing costs of a medical education require physicians, physician assistants, and nurse practitioners to seek out high-salary jobs in order to repay their student loans. Unfortunately, rural areas are often unable to provide a competitive salary for such health care providers, resulting in the critical provider shortage that this measure seeks to address.

Your Committee on Conference has amended this measure by:

- (1) Amending the purpose section;
- (2) Inserting language to:

- (A) Establish the Hawaii health corps program, Hawaii rural health care provider loan repayment program, and the Hawaii health corps revolving fund;
- (B) Require the University of Hawaii at Manoa John A. Burns School of Medicine and University of Hawaii at Manoa School of Nursing and Dental Hygiene to report to the Legislature on the status of the Hawaii health corps program; and
- (C) Require the implementation of the Hawaii health corps program by June 30, 2013;
- (3) Deleting the appropriation that would have been used to implement and sustain the rural interdisciplinary residency program at Hilo Medical Center; 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. 596, 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. 596, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Nishimoto, Morikawa, Nakashima, Saiki and Pine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 2 (Nakashima, Saiki).

Conf. Com. Rep. 101-12 on S.B. No. 1083

The purpose of this measure is to appropriate funds for collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative for collective bargaining unit 7 and state officers and employees excluded from collective bargaining but belonging to the same compensation plans as those officers and employees within bargaining unit 7.

Your Committee on Conference finds that the University of Hawaii Professional Assembly and the University of Hawaii have reached an understanding relating to the "favored nations" provision on Hawaii employer-union health benefits trust fund contributions in the agreement concerning bargaining unit 7.

Accordingly, your Committee on Conference has amended this measure by adopting the language submitted by the Governor in Governor's Message No. 243 to:

- (1) Appropriate funds to the Hawaii employer-union healthy benefits trust fund (EUTF) necessary for fiscal biennium 2012-2013 to fund the EUTF costs contained in the supplemental agreement negotiated between the University of Hawaii and the exclusive bargaining representative of collective bargaining unit 7 as well as state officers and employees excluded from collective bargaining who belong to the same compensation plans as those officers and employees of collective bargaining unit 7;
- (2) Delete language that appropriates unspecified funds necessary for fiscal biennium 2011-2013 to satisfy salary increases and other cost adjustments in the agreement negotiated between the University of Hawaii and the exclusive bargaining representative of collective bargaining unit 7 for state officers and employees in bargaining unit 7 and their excluded counterparts;
- (3) Delete the severability clause;
- (4) Change the effective date to upon approval; and
- (5) Make 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. 1083, 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. 1083, S.D. 1, H.D. 1, 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 Rhoads, Oshiro and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 102-12 on S.B. No. 2158

The purpose of this measure is to authorize law enforcement agencies to accept cash bail, certified copies of pre-filed bail bonds, and original bail bonds when the court is closed, including nights, weekends, and holidays, to facilitate the prompt release of the detainee after bail is accepted.

Your Committee finds that if a person is taken into custody during non-regular business hours, such as during the night, weekend, or holiday, that person is not able to post bail because the courts are closed, even if the person possesses the bail amount at that time. Individuals are required to pay their bail amount at the courts only during regular business hours. Thus, even if a person who is

detained Friday night possesses the bail amount on Friday, that person will remain detained until Monday morning, when the court opens. This measure ensures the right to bail at all hours, not just during normal business hours.

Your Committee on Conference has amended this measure by:

- (1) Requiring rather than authorizing law enforcement agencies to accept cash bail, certified copies of pre-filed bail bonds, and original bail bonds when the court is closed; and
- (2) Changing the effective date to January 1, 2013, and adding a sunset date of January 1, 2016.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2158, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2158, 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, Har, Ito, Tokioka and Thielen.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Ito, Tokioka).

Conf. Com. Rep. 103-12 on S.B. No. 2323

The purpose of this measure is to appropriate funds for collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative for registered professional nurses under bargaining unit 9 and state officers and employees excluded from collective bargaining but belonging to the same compensation plans as those officers and employees within bargaining unit 9.

Your Committee on Conference finds that the Hawaii Government Employees Association and the Department of Education have reached an understanding relating to “favored nations” provisions in agreements concerning bargaining units 2, 3, 4, 6, and 13.

Accordingly, your Committee on Conference has amended this measure by deleting its contents and adopting the language submitted by the Governor in Governor’s Message No. 240 to:

- (1) Appropriate funds necessary for fiscal biennium 2011-2013 to satisfy the salary increases and other cost adjustments relating to the “favored nations” provisions in the supplemental agreements negotiated between the Department of Education and the exclusive bargaining representative of collective bargaining units 2, 3, 4, 6, and 13 for employees of the Department of Education, including the Hawaii State Public Library System, and their excluded counterparts;
- (2) Appropriate funds to the Hawaii employer-union health benefits trust fund (EUTF) necessary for fiscal biennium 2012-2013 to fund the EUTF costs contained in the supplemental agreements negotiated between the Department of Education and the exclusive bargaining representative of collective bargaining unit 6 as well as state officers and employees excluded from collective bargaining who belong to the same compensation plans as those officers and employees of collective bargaining unit 6; and
- (3) Make this measure apply retroactively 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. 2323, 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. 2323, S.D. 1, H.D. 1, 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 Rhoads, Oshiro and Ward.

Managers on the part of the House.

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

Conf. Com. Rep. 104-12 on S.B. No. 2324

The purpose of this measure is to provide a vehicle to fund all collective bargaining cost items in the agreements negotiated with the exclusive bargaining representative of public employees in bargaining units 2, 3, 4, 6, 8, and 13 and their excluded counterparts for fiscal year 2012-2013.

Your Committee on Conference finds that the Hawaii Government Employees Association and the state executive branch have reached an understanding relating to “favored nations” provisions in agreements concerning bargaining units 2, 3, 4, and 13.

Accordingly, your Committee on Conference has amended this measure by deleting its contents and adopting the language submitted by the Governor in Governor’s Message No. 241 to:

- (1) Appropriate funds necessary for fiscal biennium 2011-2013 to satisfy the salary increases and other cost adjustments relating to the “favored nations” provisions in the supplemental agreements negotiated between the state executive branch and the

exclusive bargaining representative of collective bargaining units 2, 3, 4, and 13 for state officers and employees in bargaining units 2, 3, 4, and 13 and their excluded counterparts in the state executive branch;

- (2) Appropriate funds to the Hawaii employer-union health benefits trust fund (EUTF) necessary for fiscal biennium 2012-2013 to fund the EUTF costs contained in the supplemental agreements negotiated between the state executive branch, Department of Education, and University of Hawaii and the exclusive bargaining representative of collective bargaining units 2, 3, 4, and 13 for state officers and employees in the state executive branch, Department of Education, and University of Hawaii in bargaining units 2, 3, 4, and 13 and their excluded counterparts; and
- (3) Appropriate funds necessary for fiscal biennium 2011-2013 to satisfy salary increases and other cost adjustments relating to the supplemental agreement negotiated between the state executive branch and the exclusive bargaining representative of collective bargaining units 2, 3, 4, and 13 for state officers and employees in bargaining units 2, 3, 4, and 13 and their excluded counterparts in the state executive branch; and
- (4) Make this measure apply retroactively 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. 2324, 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. 2324, S.D. 1, H.D. 1, 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 Rhoads, Oshiro and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 105-12 on S.B. No. 2858

The purpose of this measure is to:

- (1) Establish a process for a state or county agency to seek judicial review by a circuit court of a decision rendered by the Office of Information Practices that directs the agency to disclose a requested record under the Uniform Information Practices Act or prohibits disclosure under the Sunshine Law;
- (2) Require a circuit court to consider the opinions and rulings of the Office of Information Practices as precedent unless found to be palpably erroneous; and
- (3) Specify that the opinion or ruling upholding the agency's denial of access to the requestor shall be reviewed de novo unless the action to compel disclosure was brought because an agency failed to make a record available as required under section 92F-15.5(b), Hawaii Revised Statutes, after the Office of Information Practices rendered a decision for disclosure and the agency did not appeal within thirty days of that decision.

Your Committee on Conference finds that the Uniform Information Practices Act allows members of the public whose record requests are denied by a government agency to have the Office of Information Practices review the agency's denial. However, the Uniform Information Practices Act does not provide a similar process for a government agency to file an action in circuit court to appeal an adverse decision rendered by the Office of Information Practices. Accordingly, this measure establishes a uniform process for a state or county agency to seek judicial review of a decision rendered by the Office of Information Practices that directs the agency to disclose a requested record.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a government agency may file a complaint to seek judicial review of the final decision rendered by the Office of Information Practices in the circuit court where the request for access to a record was made, the prohibited act occurred, or the agency's principal place of business is located;
- (2) Clarifying that a government agency may not appeal a decision made by the Office of Information Practices unless the agency follows the established appeals process established by this measure;
- (3) Changing the effective date to January 1, 2013; 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. 2858, 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. 2858, S.D. 1, H.D. 2, 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, Har, Tokioka and Riviere.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Tokioka).

Conf. Com. Rep. 106-12 on S.B. No. 3001

The purpose of this measure is to:

- (1) Prohibit the intentional, knowing, or reckless transfer, transport, and release after interisland transport of any wild or feral deer;
- (2) Allow specimens of wild or feral deer required for scientific or educational purposes to be transported only when authorized under a permit issued by the Department of Land and Natural Resources or other state department;
- (3) Exclude non-feral domestic animals as referenced in section 142-68, Hawaii Revised Statutes, from the prohibition;
- (4) Clarify that a deer that has been captured is no longer considered feral;
- (5) Provide definitions for “feral” and “release”; and
- (6) Establish mandatory fines for violations.

Your Committee on Conference finds that the introduction of non-native species to the State has a negative effect on Hawaii’s environment and indigenous species in a variety of ways. While many introductions of non-native species are accidental, others may be purposeful. Axis Deer are causing great damage to native habitats and agricultural crops on Maui and are a danger to vehicular traffic on roadways. This measure provides a deterrent to the purposeful spread of wild or feral deer within the State and establishes penalties for the interisland transportation of wild or feral deer.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the prohibitions apply to live wild or feral deer;
- (2) Expanding the scope of the offense and its associated penalties to possession of a live wild or feral deer;
- (3) Allowing the interisland transportation and possession of live wild or feral deer only if permitted by the Department of Land and Natural Resources or other department of the State;
- (4) Deleting language that:
 - (A) Allows specimens of wild or feral deer required for scientific or educational purposes to be transported only when authorized under a permit issued by the Department of Land and Natural Resources or other state department;
 - (B) Exempts non-feral domestic animals as referenced in section 142-68, Hawaii Revised Statutes, from the offense; and
 - (C) Establishes that once a deer has been captured that deer is no longer considered feral;
- (5) Adding a definition for “possess”;
- (6) Changing the effective date to upon approval; 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. 3001, 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. 3001, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kidani, Kahele and Slom.

Managers on the part of the Senate.

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

Representatives Chang, Keith-Agaran, Har and Riviere.

Managers on the part of the House.

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

Conf. Com. Rep. 107-12 on S.B. No. 1269

The purpose of this measure is to revise the method of computing the Employees’ Retirement System pension benefits for employees hired after June 30, 2011, and keeping the existing computation method for employees hired before July 1, 2011. Specifically, this measure defines “compensation” for employees hired after June 30, 2011, as:

- (1) The normal periodic payments of money for service, shortage differentials, elective salary reduction contributions, and twelve-month differentials for Department of Education employees; and
- (2) Excluding additional or extra payments, including overtime, bonuses, supplementary payments, lump sum salary supplements, allowances, or differentials, not expressly authorized in statute.

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

- (1) Updating year references throughout the measure to 2012, so that the provisions apply to employees hired before July 1, 2012, and employees hired after June 30, 2012;

- (2) Replacing references to “employee” with “member” to align with existing statutory language;
- (3) Changing the effective date to June 30, 2012; 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. 1269, 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. 1269, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Rhoads, Oshiro, Yamashita and Fontaine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 108-12 on S.B. No. 2214

The purpose of this measure is to:

- (1) Clarify that a public employer and an exclusive representative shall negotiate the state and county contribution amounts to the Hawaii employer-union health benefits trust fund for health benefit plans and group life insurance benefits for active employees;
- (2) Remove the prohibition against applying the arbitration procedures of section 89-11, Hawaii Revised Statutes, to resolve impasses or disputes relating to contributions to the Hawaii employer-union health benefits trust fund;
- (3) Establish that a decision of an arbitration panel is final and binding when the parties cannot reach an agreement with respect to the amounts of contributions paid by the State to the Hawaii employer-union health benefits trust fund;
- (4) Repeal the legislative relief option to determine public sector health benefits contributions when an impasse exists regarding the negotiation of state cost issues; and
- (5) Repeal the prohibition against striking over the issue of public sector health benefits contributions.

Your Committee on Conference finds that the existing collective bargaining laws lack an efficient dispute resolution procedure to resolve disagreements over contributions to the Hawaii employer-union health benefits trust fund. Existing law requires that the Legislature determine the pro rata share of each party if the employer and exclusive representative cannot agree on the amount of contributions. This measure will allow disputes over contributions to be resolved through impasse procedures, similar to other negotiable items, including a public employee’s right to strike.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2214, 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. 2214, S.D. 2, H.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 Rhoads, Oshiro, Yamashita and Johanson.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Yamashita).

Conf. Com. Rep. 109-12 on S.B. No. 2576

The purpose of this measure is to:

- (1) Authorize a person convicted of committing the offense of prostitution to file a motion to vacate the conviction under certain circumstances;
- (2) Establish procedures for the motion to vacate judgment; and
- (3) Increase the mandatory fines for the offense of prostitution.

Your Committee on Conference finds that human trafficking, consisting of the subjugation, recruitment, harboring, or transportation of people for the purpose of forced labor or services, or commercial sexual exploitation, is one of the fastest growing criminal industries. This measure assists in combating human trafficking by allowing trafficking victims who were forced into prostitution to file a motion to have their prostitution convictions vacated from their records.

Your Committee on Conference has amended this measure by:

- (1) Changing references from motion to vacate judgment to motion to vacate conviction;

- (2) Adding language to require that the filed motion to vacate a prostitution conviction shall be subject to the review and written approval of the state agency or county prosecutor responsible for prosecuting the offense that is the subject of the motion to vacate conviction;
- (3) Deleting language that requires official documentation of the defendant's status as a victim of trafficking or severe form of trafficking to create a presumption that the defendant's participation in prostitution was a result of being a victim of trafficking;
- (4) Deleting the definition for "official documentation";
- (5) Amending the language in section 712-1200(4), Hawaii Revised Statutes, that established a mandatory fine of \$1,000 for the commission of the first and any subsequent offense of prostitution to establish instead a minimum fine of \$500 for the commission of the first and any subsequent offense of prostitution;
- (6) Changing the effective date to July 1, 2012; 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. 2576, 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. 2576, S.D. 1, H.D. 3, 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 Mizuno, Keith-Agaran, Har, Jordan and Pine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Jordan).

Conf. Com. Rep. 110-12 on S.B. No. 2378

The purpose of this measure is to:

- (1) Require nonprofit land conservation organizations to provide, in addition to a conservation easement, a deed restriction or covenant that shall run with the land to ensure the long-term protection of the land and preserve the interests of the State, as a condition to the receipt of land conservation funds;
- (2) Require the Board of Land and Natural Resources to be made a full or partial owner of any conservation easement provided as a condition for receipt of land conservation funds but allow the Board to exempt any easement required pursuant to this measure; and
- (3) Require applications for land conservation funds to include the project's public benefit and the results of the consultations with specified state departments and agencies regarding the maximization of public benefits of the project, if practical.

Your Committee on Conference finds that the legacy land program has funded a variety of positive environmental, cultural, historical, and agricultural land protection projects supported by state agencies, counties, and nonprofits. This measure establishes safeguards to ensure that legacy lands are preserved for their intended purposes.

Your Committee on Conference has amended this measure by:

- (1) Requiring nonprofit land conservation organizations to provide an agricultural easement deed restriction or covenant, or a conservation easement, rather than both, as a condition to the receipt of land conservation funds;
- (2) Adding the Department of Land and Natural Resources, Department of Agriculture, Agribusiness Development Corporation, and Public Land Development Corporation to the entities that may be granted easements by state or county agencies and nonprofit land conservation organizations receiving land conservation funds;
- (3) Allowing land conservation organizations or county, state, or federal agencies required to be provided easements as a condition of the receipt of land conservation funds to also exempt any easement required pursuant to this measure;
- (4) Changing the effective date to upon approval; and
- (5) Making technical, nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2378, 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. 2378, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 111-12 on H.B. No. 1879

The purpose of this bill is to:

- (1) Extend until June 30, 2014, the sunset provision in section 5 of Act 72, Session Laws of Hawaii (SLH) 2009, that exempts pest control operators' activities from the definition of "excavation";
- (2) Amend the definition of "excavation" to exclude any pest control activity regulated under chapter 460J, Hawaii Revised Statutes (HRS), that is not performed under contract with any county or state agency;
- (3) Direct the Public Utilities Commission (PUC) to require any operator exempt from the requirements of the One Call Center (Center) to participate in training seminars provided by the Center for education on excavation requirements and best practices; and
- (4) Require the PUC to:
 - (A) Conduct an investigation assessing the risk of residential pest control application; and
 - (B) Submit to the Legislature a report of its findings and recommendations prior to the Regular Session of 2014.

Your Committee on Conference has amended this bill by:

- (1) Amending the definition of "excavation" to exclude any pest control activity involving excavation regulated under chapter 460J, HRS, that is not performed under contract with any county or state agency;
- (2) Specifying that the training seminars in which the PUC must require exempt operators to participate be either provided or approved by the Center;
- (3) Extending until June 30, 2015, the sunset provision in section 5 of Act 72, SLH 2009;
- (4) Changing the effective date to June 29, 2012; 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. 1879, 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. 1879, 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, 3. Noes, none. Excused, none.

Representatives Herkes, Tokioka, Ito and Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 112-12 on H.B. No. 1617

The purpose of this measure is to:

- (1) Provide fair compensation to lessees of public lands when a withdrawal or taking of leased land renders the land unusable for the lessees' original intended purposes; and
- (2) Transfer the parcels of land identified by tax map key numbers (1) 9-4-012:001, (1) 9-4-012:002, and (1) 9-4-012:003 to the Agribusiness Development Corporation no later than January 1, 2013.

Your Committee on Conference has amended this measure by:

- (1) Authorizing the Board of Land and Natural Resources to authorize the extension of commercial, hotel, resort, and industrial leases for lessees' substantial improvement to the leased premises;
- (2) Deleting the provisions relating to the transfer of specified parcels to the Agribusiness Development Corporation;
- (3) Changing the effective date to July 1, 2012; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1617, 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. 1617, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 113-12 on H.B. No. 1972

The purpose of this measure is to clarify the basis for, and limit the amount of, fees charged for services rendered by the State Historic Preservation Division of the Department of Land and Natural Resources. Specifically, this measure:

- (1) Limits the fees charged by the comprehensive historic preservation program to those that are proportional to the complexity of the services being provided and that do not exceed the annual operating costs of the program; and
- (2) Directs the State Historic Preservation Division to develop signage for the State's cultural and historic resources.

Your Committee on Conference amended this measure by changing the effective date to 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. 1972, 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. 1972, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Chang, Hanohano, Har, Carroll, Evans and Riviere.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, 1 (Evans).

Conf. Com. Rep. 114-12 on H.B. No. 280

The purpose of this measure is to address economic challenges facing the state coffee certification program while preserving the integrity of Hawaii's coffee industry.

Specifically, the measure effectuates this purpose by:

- (1) Repealing the requirement that all Hawaii-grown green coffee beans be inspected and certified by the Department of Agriculture (DOA) for grade and origin unless otherwise provided by department rules, and instead authorizing DOA to adopt administrative rules relating to the inspection and certification of the geographic origin of Hawaii-grown green coffee beans;
- (2) Prohibiting the shipment of Hawaii-grown coffee beans outside the area of their geographic origin unless the packaging has been marked with or contains documentation of geographic origin approved by DOA; and
- (3) Making the offense of false labeling of Hawaii-grown coffee with regard to the geographic origin of the coffee a class C felony.

Your Committee on Conference has amended this measure by:

- (1) Adding cherry and parchment coffee to the offense of false labeling, in addition to Hawaii-grown green coffee;
- (2) Adding two new definitions for "cherry coffee" and "parchment coffee";
- (3) Specifying that the penalties, remedies, procedures, and actions relating to the State's agricultural commodities grades and standards law shall not prohibit the county police departments and county prosecutors or state law enforcement agencies from investigating and enforcing criminal violations of Chapter 147, Hawaii Revised Statutes, relating to grades and standards for agricultural commodities and animals; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 280, 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. 280, H.D. 1, 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, Rhoads, Hashem and Riviere.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 115-12 on H.B. No. 2487

The purpose of this measure is to clarify and adjust pension benefit calculations of the Employees' Retirement System. More specifically, this measure, among other things:

- (1) Harmonizes ordinary disability and ordinary death benefits for new members of the Employees' Retirement System with their service retirement benefits by:

- (A) Deleting water safety officers from the list of individuals who join the Employees' Retirement System as contributory members after June 30, 2012, because officers becoming members after June 30, 2012, are hybrid plan members;
 - (B) Applying the same benefit multiplier for service retirement benefits and ordinary disability benefits for hybrid plan members who become members of the Employees' Retirement System after June 30, 2012; and
 - (C) Making the service requirement for payment of the hybrid plan hypothetical account balance as an ordinary death benefit for an individual who becomes a member after June 30, 2012, the same as the service requirement for an inter vivos withdrawal by the member after the member has terminated service; and
- (2) Prevents unexpected increases in pension benefits and in the unfunded actuarial accrued liability of the Employees' Retirement System by:
- (A) Limiting the amount of compensation included in "average final compensation"; and
 - (B) Requiring employers to pay the additional costs resulting from spiking.

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

- (1) Changing the term "spiking" to "significant non-base pay increases";
- (2) Stipulating that the additional contributions paid by the employers shall be payable through an established method;
- (3) Establishing the method for additional contributions required to be paid by employers for costs associated with significant non-base pay increases;
- (4) Deleting certain criteria that limited the amount of compensation included in the average final compensation of Employees' Retirement System members by excluding from the calculation of average final compensation late career spikes in an employee's compensation attributable to non-base pay compensation, such as overtime;
- (5) Changing its effective date to July 1, 2012; 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. 2487, 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. 2487, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Rhoads, Oshiro, Choy, Yamashita and Johanson.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Choy).

Conf. Com. Rep. 116-12 on H.B. No. 609

The purpose of this measure is to provide for the health care needs of the community by:

- (1) Authorizing Hawaii Health Systems Corporation to bring the Hawaii Medical Center-East facility under its governance through formal affiliation or acquisition; and
- (2) Appropriating funds to carry out the purpose of the measure, including the hiring or contracting of staff.

Your Committee on Conference has amended this measure by:

- (1) Codifying the provisions in the measure into the Hawaii Revised Statutes, rather than as uncodified session law material;
- (2) Deleting the appropriation;
- (3) Changing the effective date to take effect upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 609, 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. 609, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Nishihara and Chun Oakland.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Yamane, Morikawa, Rhoads and Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Rhoads).

Conf. Com. Rep. 117-12 on H.B. No. 2248

The purpose of this measure is to support higher education in the State by authorizing the issuance of up to \$120,000,000 in special purpose revenue bonds to assist Hawaii Pacific University and one or more of its not-for-profit affiliates to finance, refinance, and reimburse costs related to the planning, acquisition, and construction of various capital projects.

Your Committee on Conference has amended this measure by:

- (1) Removing language specifying that the Department of Budget and Finance, in determining whether to issue special purpose revenue bonds authorized by this measure, shall comply with federal law relating to the exemption from federal income taxation of the interest on such bonds only to the extent practicable;
- (2) Removing language specifying that interest on bonds issued under this measure may be excluded from or included in gross income for federal income tax purposes; and
- (3) Making technical, nonsubstantive amendments for 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. 2248, 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. 2248, H.D. 2, S.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, Nakashima, Saiki and Johanson.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Saiki).

Conf. Com. Rep. 118-12 on H.B. No. 2626

The purpose of this measure is to enhance traffic safety around Hawaii's schools and enable and encourage children to walk and bicycle to school by statutorily establishing the Safe Routes to School Program introduced under Act 100, Session Laws of Hawaii 2009. This measure also establishes:

- (1) The Safe Routes to School Program Special Fund; and
- (2) A Safe Routes to School Program surcharge of:
 - (A) \$10 on all moving violations; and
 - (B) \$25 on violations involving speeding in a school zone.

Traffic congestion continues to increase around Hawaii's schools. This in turn causes parents, who worry about the safety of their children, to drive their children to school, causing even more congestion around schools and increasing safety risks for students. Evaluating the modes of transportation students currently use to get to school and conducting various workshops and community-based meetings to promote alternative methods of transportation to school will not only alleviate traffic congestion but also increase student safety.

Your Committee on Conference finds that 38 schools in the State have safe routes to school programs that are extremely successful in increasing the number of children walking and biking to school. This measure will make the Safe Routes to School Program permanent and available to children throughout the State.

Your Committee on Conference has amended this measure by:

- (1) Inserting language appropriating \$250,000 out of the Safe Routes to School Program Special Fund for use by the Department of Transportation for the Safe Routes to School Program;
- (2) Changing its effective date to September 1, 2012; 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. 2626, 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. 2626, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 119-12 on H.B. No. 2495

The purpose of this measure is to provide for employer contribution amounts for the Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for plan years 2011-2012 and 2012-2013 for employees of Collective Bargaining Unit (11) and for state officers and employees excluded from Collective Bargaining Unit (11).

According to the Office of the Governor, a settlement has been reached for salary increases and other cost adjustments related to "favored nations" provisions in a supplemental agreement negotiated between the University of Hawaii and the exclusive bargaining representative of collective bargaining units (2), (3), (4), and (8) for employees of the University of Hawaii. Accordingly, your Committee on Conference has amended this measure by deleting its contents and replacing it with language that appropriates or authorizes funds to be used for:

- (1) Salary increases and other cost adjustments related to "favored nation" provisions in the supplemental agreement negotiated between the University of Hawaii and the exclusive bargaining representative of collective bargaining units (2), (3), (4), and (8) for employees of the University of Hawaii, and their excluded counterparts, for fiscal biennium 2011-2013; and
- (2) Hawaii employer-union health benefits trust fund costs related to "favored nation" provisions contained in the supplemental agreement negotiated between the University of Hawaii and the exclusive bargaining representative of collective bargaining unit (8), and their excluded counterparts, for fiscal biennium 2011-2013.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2495, 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. 2495, H.D. 1, S.D. 1, 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 Rhoads, Oshiro and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 120-12 on H.B. No. 2569

The purpose of this measure is to reconfirm and clarify the original intent of the Hawaii civil union laws enacted by Act 1, Session Laws of Hawaii 2011, by, among other things:

- (1) Clarifying that two individuals who are married, partners to a civil union, or reciprocal beneficiaries and hold property as tenants by the entirety will maintain continuous ownership as tenants by the entirety when they change their legal relationship status under specified conditions;
- (2) Establishing that if two reciprocal beneficiaries enter into a civil union with one another, their rights, benefits, protections, or responsibilities as reciprocal beneficiaries will be continuous through the time they enter into the civil union and be deemed to have accrued from the first date those rights and responsibilities existed under the reciprocal beneficiary relationship if the couple terminates their reciprocal beneficiary relationship simultaneously with their entry into their civil union or terminates within ninety days prior to their entry into a civil union;
- (3) Clarifying that the rights, benefits, protections, or responsibilities created by the solemnization of a civil union that were not included within a reciprocal beneficiary relationship are to be recognized as of the date the civil union was solemnized;
- (4) Clarifying the statutory requirements for a valid marriage contract and to enter into a valid civil union;
- (5) Clarifying the statutory requirements for the solemnization of a civil union, including which persons are authorized to solemnize a civil union and the reporting requirements of a civil union solemnization;
- (6) Clarifying that legal unions validly performed in other state jurisdictions that are substantially that are equivalent to a civil union in this State will be treated the same as civil unions entered into in this State;
- (7) Clarifying that a person may not enter into a reciprocal beneficiary relationship if the person is already in a civil union, and that a reciprocal beneficiary relationship will automatically terminate when either party enters into a marriage, civil union, or an out-of-state union recognized by law as a marriage or civil union in the State;
- (8) Authorizing a change of name upon entering into a civil union;
- (9) Confirming that the Family Court has jurisdiction over the divorce, annulment, and separation of a union that is recognized as a civil union in this State;
- (10) Allowing couples who terminated their reciprocal beneficiary relationships after October 3, 2011, but before the effective date of this Act, and subsequently entered into civil unions no later than ninety days after their reciprocal beneficiary relationships terminated to have their rights held in the reciprocal beneficiary relationships carry over, uninterrupted into their civil unions; and
- (11) Allowing certain reciprocal beneficiaries who, prior to the effective date of section 17, enter into a legal union in another jurisdiction that is not marriage as recognized in Hawaii but is equivalent to a civil union under Hawaii law, to have their legal union recognized as a civil union.

Your Committee on Conference has amended this measure by:

- (1) Simplifying Section 1 of this measure to emphasize the legislature's intent to reconfirm and clarify the provisions of chapter 572B, Hawaii Revised Statutes, as enacted by Act 1, Session Laws of Hawaii 2011;
- (2) Including a provision relating to a liability exemption under certain circumstances for religious organizations and religious facilities; and
- (3) 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. 2569, 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. 2569, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Keith-Agaran, Oshiro, Har, Ito and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Ito).

Conf. Com. Rep. 121-12 on H.B. No. 2476

The purpose of this measure is to appropriate funds to satisfy various claims against the State, its officers, or its employees for overpayment of taxes, refunds, reimbursements, payments of judgments or settlements, and other claims.

Your Committee on Conference has amended this measure by:

- (1) Adding two additional claims against the State of Hawaii, as follows:
 - (A) *Matsumura v. Board of Trustees of the Employees' Retirement System of the State of Hawaii*, CAAP-11-0000106, a settlement in the amount of \$120,000.00; and
 - (B) *Tagaca v. State of Hawaii*, Civil No. 09-1-2098-09, First Circuit, a settlement in the amount of \$35,000; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2476, 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. 2476, H.D. 1, 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 Keith-Agaran, Oshiro, Har and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 122-12 on H.B. No. 2848

The purpose of this measure is to reduce recidivism for criminal offenders by employing native Hawaiian cultural practices and other innovations to effectuate this objective.

Specifically, the measure:

- (1) Requires the Department of Public Safety to prepare a plan to create a pu'uhonua, or wellness center, that incorporates native Hawaiian cultural practices; and
- (2) Creates a pilot program to allow certain incarcerated individuals on Hawaii Island to work in the community on projects that benefit the local community and the State.

Your Committee on Conference has amended this measure by:

- (1) Making this measure effective upon its approval; 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. 2848, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2848, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Galuteria, Espero, Kidani, Kahele, Ryan and Solomon.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Kidani).

Representatives Aquino, Hanohano, Chang, Cullen, Nakashima, Tsuji and Fontaine.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, 1 (Fontaine).

Conf. Com. Rep. 123-12 on H.B. No. 1974

The purpose of this measure is to temporarily remove the residency requirements for the burial of members of the armed services and certain members of their family. This measure also establishes criteria consistent with the United States Department of Veterans Affairs eligibility requirements for burial in a national or state cemetery.

Your Committee on Conference has amended this measure by:

- (1) Repealing established statutory language allowing for the burial of nonresident servicemen and dependents at the discretion of the legislative bodies of the respective counties;
- (2) Changing the effective date to upon its approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1974, 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. 1974, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Aquino, Cullen, Cabanilla, Ito and Johanson.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Johanson).

Conf. Com. Rep. 124-12 on H.B. No. 2664

The purpose of this measure is to establish a public-private partnership to research, develop, and implement a model and system of collaborative health care delivery in counties with a certain population range that addresses the coordination of care across the spectrum of care, from acute, to skilled nursing facility, to home.

Your Committee on Conference has amended this measure by:

- (1) Referring to the county in which the public-private partnership will be established as a county that encompasses at least three islands inhabited by permanent residents, rather than a county with a population between 100,000 and 170,000;
- (2) Deleting the appropriation from the measure; 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. 2664, 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. 2664, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Morikawa, Jordan and Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 125-12 on H.B. No. 2275

The purpose of this measure is to ensure access to health care for Medicaid recipients by establishing:

- (1) A hospital sustainability fee to be assessed on inpatient services provided by hospitals; and
- (2) A hospital sustainability program special fund to receive moneys from the hospital sustainability fee,

which will make Hawaii eligible to receive federal matching funds to preserve access to health care for the State's Medicaid population and sustain its health care system.

Your Committee on Conference notes that this measure will help stabilize Medicaid payments to facilities and help financially sustain Hawaii's hospitals for care delivered to Medicaid recipients.

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

- (1) Specifying that state hospitals will not be covered by the hospital sustainability fee, but will benefit from the use of their certified expenditures and intergovernmental transfers to generate federal funds to cover their operating expenses;

- (2) Clarifying that the hospital sustainability fee will be assessed on health care items or services provided by private hospitals;
- (3) Specifying that the Department of Human Services (DHS) will administer the hospital sustainability program, including the hospital sustainability fee and the hospital sustainability program special fund;
- (4) Defining "outpatient care";
- (5) Specifying that federal Medicaid funds received as matching funds for state expenditures shall be deposited into the hospital sustainability program special fund;
- (6) Specifying the exclusive allowable uses of the hospital sustainability program special fund moneys, including the allocation of:
 - (A) At least 93 percent of the moneys for direct payments to private hospitals for allowable uncompensated care costs;
 - (B) Two percent of the moneys for Medicaid covered services for the benefit of hospitals; and
 - (C) Five percent of the moneys to DHS for other departmental purposes;
- (7) Specifying allowable uses of federal funds derived from the state hospital certified expenditures and intergovernmental transfers;
- (8) Establishing a ceiling appropriation for the hospital sustainability program special fund;
- (9) Providing that the hospital sustainability fee will be assessed on outpatient care, as well as inpatient care services provided by private hospitals;
- (10) Setting forth parameters of the hospital sustainability fee for inpatient and outpatient care services;
- (11) Exempting hospitals with net outpatient revenue of less than \$45,000,000 per year based on fiscal year 2010 reports from the hospital sustainability fee on outpatient care services;
- (12) Clarifying how the sustainability fee assessments will be collected;
- (13) Establishing a penalty equal to prime plus two percent of the hospital sustainability fee to be assessed upon nonpayment of the fee when due;
- (14) Setting forth how private hospital payments will be made, which includes specifying that payments shall not be due until at least 15 days after receipt of the fees required under the fee assessment provisions and that a penalty shall be assessed for DHS's failure to pay the full amount when due;
- (15) Specifying that moneys in the hospital sustainability program special fund shall be used exclusively for purposes enumerated in this measure;
- (16) Specifying that the hospital sustainability program special fund shall not be responsible for its pro rata share of the administrative expenses incurred by DHS for operations of the special fund;
- (17) Preserving the effectiveness of the section of the measure relating to exclusive use of the hospital sustainability program special fund beyond the effective date of this measure to accommodate the final distribution of moneys in the special fund after the expiration of the hospital sustainability program; and
- (18) 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. 2275, 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. 2275, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Chun Oakland, Ige, Baker and Kouchi.

Managers on the part of the Senate.

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

Representatives Yamane, Mizuno, Oshiro, Jordan, Morikawa and Ching.

Managers on the part of the House.

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

Conf. Com. Rep. 126-12 on S.B. No. 2739

The purpose of this measure is to authorize the Small Business Regulatory Review Board to require an agency to conduct another public hearing on a rule change when the rulemaking agency declines to make changes requested at the first hearing and the agency's small business statement, submitted after the hearing, indicates inconsistency with the agency's earlier determination or does not address the public's concerns.

Your Committee on Conference finds that this measure would address concerns raised by the Small Business Regulatory Review Board regarding the lack of cooperation the Board sometimes encounters regarding an agency's response to the requirements of chapter 201M, Hawaii Revised Statutes. However, your Committee on Conference is also concerned that this measure could delay the adoption of rules that are critical to an agency's ability to perform its duties according to law.

Your Committee on Conference further finds that the size and lack of specific membership requirements for the Small Business Regulatory Review Board hampers the Board's ability to meet its statutory obligations.

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

- (1) Deleting the authorization for the Small Business Regulatory Review Board to require another public hearing on a rule change;
- (2) Authorizing the Small Business Regulatory Review Board with good cause to request a written response from the agency explaining the rationale used to deny the public concerns within ten working days of receipt of the small business statement after public hearing, and requiring the agency to respond in writing to the board's concerns within ten working days;
- (3) Requiring an agency's written response to specifically address each issue and concern raised in the board's request for a written response, and affirmatively state that the agency has considered all written and oral testimony received at the agency's public hearing and had addressed all issues or concerns raised in the written and oral testimony;
- (4) Reducing the size of the board from eleven to nine members, with three members appointed from a list of nominees submitted by the President of the Senate, and three members appointed from a list of nominees submitted by the Speaker of the House of Representatives, from nominations solicited from small business organizations, state and county chambers of commerce, and other interested business organizations; and two members appointed by the Governor; with the Director of Business, Economic Development, and Tourism, or the Director's designated representative, to serve as an ex officio voting member of the board; and requiring at least one representative from each county;
- (5) Requiring each agency to notify the board on an annual basis of any rules that should be amended or repealed based on any new, amended, or repealed statute;
- (6) Inserting an effective date of July 1, 2012; 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. 2739, 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. 2739, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Baker, Espero, Wakai and Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Espero, Slom).

Representatives McKelvey, Choy, Yamashita and Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Marumoto).

Conf. Com. Rep. 127-12 on S.B. No. 2239

The purpose of this measure is to:

- (1) Establish a venture accelerator funding program under the Hawaii Strategic Development Corporation to assist the State's technology businesses to compete for investment capital; and
- (2) Appropriate unspecified funds for fiscal year 2012-2013 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, for a venture accelerator funding program; provided that up to \$250,000 shall be expended for project oversight of program awardees.

Your Committee on Conference finds that the venture accelerator funding program in this measure is also contained in a separate measure, and has therefore amended this measure by deleting its contents and replacing them with the language in S.B. No. 2239, S.D. 1, which:

- (1) Exempts grants made under the community-based economic development program from the Hawaii public procurement code;
- (2) Clarifies that monies in the hydrogen investment capital special fund shall be expended by the Hawaii Strategic Development Corporation; and
- (3) Repeals the High Technology Innovation Corporation; and
- (4) Inserts an effective date of upon approval.

Your Committee on Conference has further amended this measure by delaying the repeal of the High Technology Innovation Corporation to June 30, 2013.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2239, 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. 2239, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Coffman, Choy, Yamashita and Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Coffman, Marumoto).

Conf. Com. Rep. 128-12 on S.B. No. 2927

The purpose of this measure is to prevent urban sprawl and facilitate development in appropriate areas by:

- (1) Establishing planning districts and creating a process for developers to apply for residential and commercial exceptional planning projects;
- (2) Establishing the transit-oriented or main-street redevelopment program;
- (3) Authorizing state and county incentives for exceptional planning projects; and
- (4) Establishing a discretionary review process for the transfer of floor area within the planning district.

Your Committee on Conference finds it necessary for the State to streamline its efforts and implement ideas that would result in reasonable, rational, and equitable land use planning. Existing laws contain unnecessary and oftentimes burdensome requirements that lengthen the process of worthy development projects. This measure would provide for a more timely and efficient process for the development of Hawaii's lands within appropriate locations and prevent urban sprawl.

Your Committee on Conference has amended this measure by:

- (1) Adding a purpose section;
- (2) Renaming the term "exceptional planning project" as "qualified project" and making conforming amendments;
- (3) Adding a definition of "qualified project" or "project";
- (4) Restricting the establishment of planning districts that consist of a transit-oriented development to counties with a population of five hundred thousand or more;
- (5) Restricting the establishment of planning districts that consist of a transit-oriented development near bus transit stations or centers to locations within the county development or sustainable counties plans for Ewa, Central Oahu, and the Primary Urban Center;
- (6) Adding Pearl Highlands to the list of rail transit stations near which a transit-oriented development exists that authorizes the establishment of a planning district;
- (7) Renaming the "transit-oriented or main-street redevelopment program" as the "transit-oriented or main-street redevelopment district program" and making conforming amendments;
- (8) Deleting the indemnity provision;
- (9) Requiring contractors or subcontractors to be pre-qualified by demonstrating at least three years of experience in Hawaii on similar projects;
- (10) Deleting the legislative approval requirement for qualified projects to receive state incentives;
- (11) Authorizing state incentives for qualified projects established in planning districts, subject to rules;
- (12) Inserting language to require the transit ridership study to be included in a qualified project application to demonstrate the need for development by determining factors that will achieve overall land use density that is consistent with existing county general plans and state plans;
- (13) Restricting receiving sites of floor area ratio transfers to sites only within planning districts that consist of a transit-oriented development within a radius of a rail transit station located at east Kapolei, the University of Hawaii West Oahu, West Loch, Waipahu, Leeward Community College, or Pearl Highlands;
- (14) Authorizing the Office of Planning to hire two temporary positions under certain conditions;
- (15) Appropriating \$250,000 provided by the Honolulu Authority for Rapid Transportation for two temporary positions in the Office of Planning;
- (16) Adding a severability clause;
- (17) Inserting an effective date of July 1, 2012; and
- (18) Making technical, nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2927, 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. 2927, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Solomon, Ige, Fukunaga and Kouchi.
Managers on the part of the Senate.

Ayes, 4, Ayes with Reservations (Ige, Kouchi). Noes, none. Excused, 1 (Fukunaga).

Representatives Chang, Cabanilla, McKelvey, Souki, Har and Pine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 2 (Cabanilla, Souki).

Conf. Com. Rep. 129-12 on S.B. No. 2466

The purpose of this measure is to ensure access to health care for Medicaid recipients by establishing a nursing facility sustainability fee and a special fund to receive monies from the nursing facility sustainability fee in order to receive federal Medicaid matching funds under the QUEST Expanded Medicaid Section 1115 Demonstration Waiver.

Your Committee on Conference finds that provider assessments are commonly used to generate revenue for a state by leveraging federal funds through Medicaid. The revenue generated by this measure will ensure long-term facilities will be fully compensated for their uncompensated or under compensated services to Medicaid patients and the uninsured, and assist the State and the Department of Human Services (DHS) in maintaining and providing medical assistance to those who require assistance.

Your Committee on Conference notes the Department of Human Services' request that state long-term care facilities be exempt from the nursing facility sustainability fee program. Your Committee on Conference also notes that although DHS and the nursing facilities agree on the concept of the nursing facility sustainability fee program, this measure, as currently drafted, does not address all stakeholders' concerns.

Your Committee on Conference has therefore amended this measure by:

- (1) Adding language to explain that state long-term care facilities shall not be covered by the nursing facility sustainability fee although state facilities will benefit from other provisions of this measure;
- (2) Adding language that allows monies in the special fund to include all federal Medicaid funds received by DHS as a result of matching expenditures made with the nursing facility sustainability fee;
- (3) Amending the requirements for the use of the revenue from the nursing facility sustainability fee, including the percentage of the revenue to be used for specific purposes;
- (4) Authorizing DHS to utilize other resources to make supplemental payments or support increased capitation rates to health plans to benefit long-term care facilities;
- (5) Prohibits the use of certified expenditures of state long-term care facilities to make or support direct payments to private nursing facilities during any period in which the nursing facility sustainability fee is in effect;
- (6) Establishes a nursing facility sustainability program special fund ceiling appropriation of \$12,000,000 for fiscal year 2012-2013 and \$10,000,000 in federal funds for HMS 401 fiscal year 2012-2013;
- (7) Increasing the percent of net patient service revenue that the nursing facility fee shall not exceed from three percent to four percent;
- (8) Clarifying that the per resident daily fee shall be the same amount for each affected facility;
- (9) Amending the exemption from the nursing facility sustainability fee for nursing facilities with twenty-eight or fewer medicaid-licensed beds to an exemption for nursing facilities with twenty-eight or fewer licensed beds;
- (10) Changing the deadline for initial payment of the nursing facility sustainability fee to the later of July 31, 2012, or forty-five days after certain required federal approvals;
- (11) Deleting the language that required the Department to use revenues from the nursing facility sustainability fee and federal matching funds to enhance the capitated rates paid to the QUEST plans;
- (12) Clarifying that the nursing facility sustainability fee revenues and federal matching funds shall be used to enhance the capitated rates paid to QUEST Expanded Access Plans and amending the objectives for the use of those monies;
- (13) Adding language to emphasize that the monies in the nursing facility sustainability program special fund shall not be used for purposes other than the exclusive uses set forth in the section establishing the special fund;
- (14) Adding language that amends section 36-30, Hawaii Revised Statutes, to exempt the nursing sustainability program special fund from paying its pro rata share of the administrative expenses incurred by DHS in operating the fund;
- (15) Changing the effective date to July 1, 2012;
- (16) Adding a repeal date of June 30, 2013; provided that the language establishing exclusive uses for revenue from the nursing facility sustainability fee shall be repealed on December 31, 2013; and
- (17) 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. 2466, 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. 2466, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Mizuno, Oshiro, Jordan, Morikawa and Ching.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, 1 (Jordan).

Conf. Com. Rep. 130-12 on H.B. No. 2515

The purpose of this measure is to:

- (1) Allow for the sentence of probation for certain second-time drug offense convictions;
- (2) Clarify that a person sentenced to probation shall be eligible for only one expungement as a first time drug offender;
- (3) Allow for probation for a period of four years for certain class B or class C felonies; and
- (4) Require the defendant's probation officer to report to the court concerning the defendant's compliance with conditions of probation for early discharge.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a person sentenced to probation as a first time drug offender who has not been previously sentenced to probation as a drug offender shall be eligible for one time only for expungement;
- (2) Clarifying that prior to granting early discharge, the defendant's probation officer must report to the court concerning the defendant's non-compliance, in addition to the defendant's compliance with the conditions of the defendant's probation; and
- (3) Specifying that the five year probation period for specified classes of class B or C felonies and the four year probation period for all other classes of class B and C felonies apply only to felonies committed on or after January 1, 2013.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2515, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2515, H.D. 3, S.D. 2, C.D. 1.

Signed by the Majority Leaders and Chairs on behalf of the Committee.

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

Representatives Aquino, Keith-Agaran, Oshiro, Cullen, Ito and Fontaine.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. 131-12 on H.B. No. 2012

I. INTRODUCTION

The State has now addressed considerable budget shortfalls in three consecutive years. This includes \$2.1 billion in 2009, \$1.2 billion in 2010, and \$1.3 billion in 2011. Currently, projected general fund balances over the next several years are very modest. For the first time in four years, your Committee is not faced with a revenue shortfall in excess of a billion dollars.

General fund revenues peaked in fiscal year 2007–2008 at about \$5.2 billion. If the fiscal year 2011–2012 revenue projection of the Council on Revenues (COR) is accurate, on June 30, 2012, the fiscal year will close with revenues finally surpassing this level. It has taken years for general fund revenues to recover from the effects of the recent recession. However, fiscal challenges remain. Departments are struggling to provide acceptable levels of services under increasingly challenging conditions. At the same time, Medicaid and other fixed costs have continued to rise exponentially.

Your Committee on Conference continues to support the administration in its efforts to right the ship of state. This has proven to be no small task, considering the notable absence of effective state executive leadership over the course of the great recession and the significant impact state spending reductions have had on state programs and personnel. Your Committee on Conference appreciates the administration's improved efforts to communicate and work with the Legislature on strategic fiscal and policy matters.

Your Committee on Conference commends the current administration's commitment to prudent fiscal policies in providing critical structural stability to the State's financial plan by restructuring debt service payments on outstanding general obligation bonds. While the prior administration refinanced debt for immediate savings without regard for future costs, the current administration has retired future debt earlier, which will save the State \$59,000,000 in debt service. The current administration has also made every effort to end the practice of payment delays to providers and taxpayers.

Your Committee on Conference's guiding principles for the supplemental budget were to:

- Support the State's core functions, including programs that provide services for those most in need;
- Make strategic investments in people and programs that encourage economic growth and lower future costs; and
- Support long-term planning and accountability efforts to fundamentally change the character and delivery of government services.

II. ECONOMIC OUTLOOK

National Economic Outlook

Positive economic data has filled the news thus far in 2012. The unemployment rate has declined significantly, household spending and confidence have increased steadily, and financial markets have rallied to near four-year highs. Although the data indicates that

economic recovery is underway, the Congressional Budget Office (CBO), which produces ten-year economic forecasts for the congressional budget committees, expects the economy will grow at a sluggish pace over the next two years. CBO projects that real gross domestic product will grow by 2.0 per cent this year (as measured by the change from the fourth quarter of 2011) and by 1.1 per cent next year due to prolonged effects of the recession and current fiscal restraint.

The CBO also forecasts that the national unemployment rate will remain above 8.0 per cent for the next two years and that it will take five years until the unemployment rate drops to 5.5 per cent (close to the economy's natural rate of unemployment of 5.2 per cent).

In addition, strains in the global financial markets pose significant downside risks to the economic outlook:

- A worsening of the banking and fiscal problems in Europe could spill over to the United States and international financial markets;
- The recent increases in oil and gas prices, if the trend continues, will heighten inflation and threaten the economic recovery; and
- Upcoming congressional budget and policy decisions have the potential to not only stymie the national recovery, but also leave states uncertain of what federal funds to expect.

The Federal Reserve, which is tasked with setting the United States' monetary policy, has stated that it expects to keep interest rates at exceptionally low levels at least through late 2014. This is in line with CBO's forecast for economic recovery and reinforces a policy of cautious optimism, that while the economy is improving, it is still years away from normal levels.

The Economic Outlook for Hawaii

Hawaii's economy has likewise seen a recovery driven primarily by a surge in the visitor industry at the end of 2011. The University of Hawaii Economic Research Organization (UHERO) states that the Hawaii visitor industry experienced a 3.5 per cent growth in arrivals and a 15.6 per cent increase in nominal visitor spending in 2011 compared to 2010. UHERO partially credits this to the opening of Disney's Aulani Resort and the APEC Conference in November.

However, UHERO and the Department of Business, Economic Development, and Tourism note the following as risks to Hawaii's economy:

- "Hawaii's economy depends significantly on conditions in the economy and key international economies, especially Japan." Slowing global growth has been a recent concern as the forecasts for China and Japan's economic growth have been lowered in 2012 and the risks of spill over from a European crisis remains possible.
- "Oil has been hovering over \$100 per barrel and high oil prices restrain visitor growth." However, UHERO is optimistic on news that airlines continue to expand routes to Hawaii and that the Obama Administration has been pushing for eased visa requirements for visitors from Brazil and China.
- "Labor market data confirms earlier fears that Hawaii's job recovery has retreated." While Hawaii's February unemployment rate of 6.4 per cent is much lower than the national average of 8.3 per cent, it is nowhere near the average unemployment rate of 2.5 per cent in 2006.
- The construction sector has been improving on Oahu, but neighbor island construction employment was nearly 13.0 per cent lower than a year earlier. Furthermore, the future of the Honolulu Rail Transit project remains uncertain.

III. GENERAL FUND REVENUE OUTLOOK

By law, the Council on Revenues (COR) 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. State revenues come primarily from the general excise tax and the state income tax. Similar to last year, the COR has made significant forecast changes.

In the September 6, 2011, meeting, the COR raised their forecast for fiscal year 2011-2012 tax revenue growth from 11.0 per cent to 14.5 per cent, citing the effect of the delay in income tax refunds, economic growth, and new tax laws as the basis for the increase. The COR subsequently lowered their forecast in the January 5, 2012, meeting from 14.5 per cent to 11.5 per cent, mainly citing a shortfall in tax collections in the first half of the fiscal year. This forecast reduced expected general fund revenues over the fiscal biennium by about \$267.2 million.

In the most recent March 7, 2012, meeting, the COR raised their fiscal year 2011-2012 forecast slightly from 11.5 per cent to 12.0 per cent, in addition to raising their forecasts for fiscal years 2013 to 2016. The COR based the revisions on their outlook of the economy, including the improving visitor industry, an overall economic expansion, an improving job market, and higher consumer confidence. This increased expected general fund revenue over the 2011-2013 fiscal biennium by about \$93.2 million. However, the COR also expressed "concerns about the uncertainty in European economies, the possibility of a war with Iran and rising oil and gas prices."

Given the volatility of the economy and the large swings in financial markets over the past nine months, it should be noted that significant downside risks exist for revenue growth assumptions over the budget planning period.

IV. BUDGET OVERVIEW

The supplemental budget request submitted by the Governor prior to the 2012 Regular Session was premised on the COR general fund revenue growth projection of 14.5 per cent for fiscal year 2011-2012. The general fund balance at the end of the fiscal biennium was then projected to be about \$234.9 million. On January 5, 2012, the COR significantly lowered the general fund revenue projection, essentially eliminating this balance and leaving a projected deficit of about \$20 million at the end of the fiscal biennium. While the COR did increase the general fund growth projection by 0.5 per cent on March 7, 2012, this has resulted in only a small projected general fund balance at the end of the fiscal biennium.

The Governor's initial supplemental budget request resulted in a net request to add \$34,003,992 in general funds to the total budget for fiscal year 2012-2013. This amount included:

- (1) \$46,425,979 for various programs to restore the health and human services safety net;
- (2) \$46,057,502 for the Department of Education and University of Hawaii;
- (3) \$8,229,427 to maintain essential services across the State;
- (4) \$19,242,141 for various New Day initiatives; and
- (5) A reduction of \$85,861,396 based upon budget savings, including debt service savings, retirement system/FICA payment savings, and employee and retiree health premium payment savings, to offset the additions.

The Governor's New Day requests largely center on chief information officer initiatives, including technology triage, information technology integration pilot projects, business process and information technology, and information rights management reengineering. New Day requests also include funding for the protection of important watersheds, the aging and disability resource center, broadband initiatives, obesity and diabetes prevention programs, and early learning initiatives.

Other notable adjustments contained in the Governor's supplemental budget request include the distribution of \$88,200,000 in general fund reductions and corresponding reductions of non-general funds for expected labor savings and the distribution of \$50,000,000 in general fund reductions under the administration program review, whereby the Governor reprioritized state spending. In addition, the Governor has submitted six Governor's Messages adjusting the supplemental budget request over the course of this Regular Session. These message items have adjusted the Governor's requested general fund appropriations by reducing \$492,356 for fiscal year 2011-2012 and adding \$7,149,840 for fiscal year 2012-2013. As adjusted for message items, the total requested general fund supplemental budget is \$5,443,441,659 for fiscal year 2011-2012 and \$5,597,335,456 for fiscal year 2012-2013.

The House of Representatives (House) adopted a draft of the budget measure that considered the Governor's initial supplemental budget request, but not most of the subsequent Governor's Message items. Significantly, the House funded much of the Governor's information technology initiatives through the use of special funds. In addition, the House included \$50,000,000 to begin addressing the annual required contribution of the Employer-Union Health Benefits Trust Fund's (EUTF) unfunded liability.

The Senate was able to consider each of the Governor's requests, including those transmitted via Governor's Message. A majority of the Governor's requested budget adjustments were adopted by the Senate, as they pertain to maintaining the health and human services safety net, strengthening primary and secondary education, investing in the State's information technology infrastructure, and restoring the ability of government to perform other necessary functions.

Your Committee on Conference resolved the differences in the drafts of this measure proposed by the House of Representatives and the Senate. This measure is the result of collaborative efforts whereby the House of Representatives moved to adopt many of the budget adjustments requested via Governor's Message that it had not previously been able to consider. In addition, collaborative efforts resulted in a number of other adjustments contained in previous drafts.

Your Committee on Conference has adjusted the supplemental budget request submitted by the Governor, as modified by Governor's Message items, by adding \$20,000 in general funds for fiscal year 2011-2012 and adding \$1,433,323 in general funds for fiscal year 2012-2013. Across all means of financing, your Committee on Conference has added \$20,000 for fiscal year 2011-2012 and added \$12,094,823 for fiscal year 2012-2013.

V. DEPARTMENT HIGHLIGHTS

Human Services

The need for assistance continues to grow among Hawaii's residents. Over the past several years, continued job loss and significant wage and benefit reductions have forced many families to survive at or below poverty levels. The State has witnessed unprecedented growth in the number of residents enrolled in MedQUEST and temporary assistance for needy families (TANF) programs and struggles to maintain services at the levels provided in prior years. Your Committee on Conference is mindful of the importance of providing core services to individuals and families in need and supports the Department of Human Services' efforts to assist Hawaii's vulnerable populations.

At a time when all state agencies were being asked to do more with less, the Department of Human Services was tasked with reducing costs and expenditures without compromising critical core services. Your Committee on Conference recognizes this difficult task and commends the Department in its efforts to reform operations to sustainable levels while providing services where they are most needed.

In the MedQUEST Division, the Department managed a \$75,000,000 general fund reduction over the 2011-2013 fiscal biennium while working to maintain important services to replace the prior administration's short-sighted delayed payments strategy with proactive, sustainable, cost-saving strategies. MedQUEST successfully initiated a reduction in capitation payments to both QUEST and QUEST expanded access health plans by three per cent and generated approximately \$22,000,000 in general fund savings. The Division received approval from the Centers for Medicare and Medicaid Services to allow the State to claim additional federal funds for Compact of Free Association recipients related to inpatient hospital stays, generating another \$3,000,000 in general fund savings. In fiscal year 2012-2013, the Department will implement a program integrity review that will reduce inactive cases, including those of non-residents, and has projected recapturing \$16,600,000 in general funds. The Department has also been informed that the federal medical assistance percentage (FMAP) for Hawaii will increase by 1.38 per cent, which will bring an additional \$15,000,000 in federal funds to the State.

Your Committee on Conference appreciates the Department's prudent approach at reforming the MedQUEST Division's budget, but remains cognizant of the increased demand for services and national rise in health care costs. As such, your Committee on

Conference has provided \$8,135,700 in general funds and \$14,745,086 in federal matching funds for fiscal year 2012-2013 towards Medicaid capitation payments.

Similarly, the Benefit, Employment and Support Services Division reviewed TANF programs' prior year operations and identified cost-saving strategies through the consolidation of service contracts, reduction in non-mandated cash assistance and services, and revised employer wage subsidy payments. Through these measures, the Department was able to immediately reduce contract expenditures by over \$4,000,000 in general funds. Changes in service delivery effectuated an additional \$5,200,000 in general fund savings due to reduced administration costs and revised contract reimbursements.

Your Committee on Conference recognizes that the Department's efforts have significantly helped to bring TANF expenditures down to more manageable levels. In support of the Department's reforms, your Committee on Conference has provided \$18,191,515 in general funds to maintain TANF services for Hawaii's residents. Further, your Committee on Conference has approved the Department's request to redistribute the savings internally for information technology improvements. As such, the sum of \$3,628,266 in general funds has been provided for software licensing, business process reengineering, and document imaging, which will ultimately help to improve the delivery and accessibility of critical services provided by the Benefit, Employment and Support Services Division.

The Child Protective Services (CPS) program was also recently subjected to extensive program review. Under the prior administration, contracts within child welfare services were permitted to overextend themselves in excess of \$12,000,000 in general funds. The imprudent use of loopholes and unregulated transfers brought CPS to contract levels well beyond budgeted amounts, which placed other programs within the Department at risk of insolvency. In recognition of these issues, the Department has consolidated duplicative services and requested remaining service providers to solicit alternative funding sources to supplant general funds.

Federal reductions to TANF and the loss of ARRA and emergency assistance funds have resulted in the Department's inability to reduce CPS' expenditures to the originally budgeted amounts, and funding for domestic violence services was reduced. Given the importance of these services to Hawaii's vulnerable populations and the Department's thoughtful review and consolidation of existing contracts, your Committee on Conference has provided funding for the remaining shortfalls to ensure the continuity of remaining contracts. To this end, general funds in the amount of \$6,880,719 for child welfare service contracts and \$1,530,000 for domestic violence contracts, as well as \$390,000 in special funds for spouse and child abuse support programs, have been provided by your Committee on Conference to CPS.

The prior administration's mismanagement of the Department's budget records and untenable contract expenditures continue to impact the Department's operations. In fiscal year 2011-2012, the Department resorted to transferring money out of health care payments to fund salary shortages that resulted from uncategorized fund transfers out of various programs. Consequently, a number of emergency appropriations were made necessary at the start of this calendar year to fund these shortfalls. In an effort to mitigate such operational inefficiencies, the Department has come forward with a supplemental budget request that asserts improved transparency and sustainable service levels by means of a fully funded budget.

Your Committee on Conference hopes that the Department has accurately assessed its budgetary needs and that the supplemental request for funds to cover payroll shortages is what is truly necessary to make the Department whole. On this basis, your Committee on Conference has provided a net sum of \$5,470,669 in general funds directly to programs identified by the Department as being under- and over-budgeted with the intent of establishing fully funded positions in the divisions left impaired by prior year reductions.

Your Committee on Conference is supportive of the Department's efforts to plan ahead and begin fiscal biennium 2013-2015 with a level of resources and staff that can ensure the availability of core services for Hawaii's needy families. However, your Committee on Conference remains aware of the lingering operational deficiencies from prior years and the limitations that have left many programs short-staffed and over-extended in several service areas. These deficiencies have ultimately led to limited accessibility for those eligible to receive assistance and operational inefficiencies that hamper the State's ability to maintain service levels. To address these concerns, your Committee on Conference has restored critical positions throughout the Department to help accommodate the growing demand for services and restore program operations to levels that are both sustainable and capable of maintaining essential coverage for those most in need. To this end, your Committee on Conference has established ten positions and provided \$577,723 for vocational and rehabilitation services, two positions and \$89,280 to reestablish a Kona office in the Supplemental Nutrition Assistance Program, fifteen positions and \$434,108 for eligibility positions in the MedQUEST Division, nineteen positions and \$1,375,190 for the rental housing services, and \$685,500 in supplemental payments for the aged, blind, and disabled.

Health

Your Committee on Conference understands the importance of health care and the services that protect the well-being of people in Hawaii. The Department of Health absorbed significant budget cuts in prior years and has assisted in identifying savings with minimal impact to core health services. Your Committee on Conference is supportive of the Department's proposal to realign resources where necessary; however, your Committee on Conference is also mindful of the large number of transfers of resources requested each year by the Department. Your Committee on Conference advocates for a sustainable structure that limits the number of transfers made by the Department each year.

Your Committee on Conference is conscious of the childhood obesity problem on our islands. Hawaii's childhood obesity rate has continued to increase over the past decade, with higher prevalence and severity in underserved communities. Obesity is linked to many chronic health conditions as well as increased health care costs. Consequently, your Committee on Conference understands that this is an issue that requires a well-planned and sustainable approach. Thus, your Committee on Conference has provided \$250,000 in tobacco settlement special funds to support the establishment of a childhood obesity and diabetes program. This program will increase the level of obesity and diabetes-related services, promote awareness, enhance research and data collection, and create a task force to develop long-term solutions to this growing problem.

The Department's State Planning and Development Agency (SHPDA) promotes access to high quality health care at reasonable costs. To this end, it investigates health care costs, promotes cost-saving techniques, and coordinates health planning for the State. The program administers and utilizes certificate-of-need applications and fees to accomplish these goals. Given the uncertain nature of

SHPDA's program revenue from current applications and fees, your Committee on Conference maintained SHPDA positions with general funds until the program is able to sustain itself through revenue collection.

Hawaii Health Systems Corporation

Your Committee on Conference recognizes the Hawaii Health Systems Corporation's (HHSC) role as a principal health care provider to Hawaii's most vulnerable citizens and visitors, especially those on the neighbor islands. HHSC is under increasing pressure as health care costs continue to rise while federal and private reimbursement rates decline.

The administration's budget request included a \$10,100,664 general fund reduction to account for HHSC's projected labor savings. However, since HHSC is a twenty-four-hour a day operation, this projected savings amount cannot be met. As such, your Committee on Conference fully restored this labor savings reduction to enable HHSC facilities to sustain operations.

HHSC's Electronic Medical Records project is set to go live in February 2013. This federally-mandated change will help hospitals, physicians, insurance companies, and other health care providers to easily retrieve information with patient files kept electronically and safely stored. HHSC set an ambitious implementation plan in order to receive \$10,000,000 in Medicare incentive payments over a four-year period. In addition, HHSC projected costs of \$57,000,000 over the next five years for this priority.

The Department of Human Services currently utilizes HHSC's certified losses from Medicaid, QUEST, and uninsured patients as the basis for drawing down additional federal dollars from the Medicaid program. A portion of these amounts are then distributed to the private hospitals to mitigate their uncompensated care losses and to provide them with Medicaid disproportionate share hospital payments.

Your Committee on Conference recognizes the importance of state and private hospitals in providing access to health services for Medicaid beneficiaries. Moreover, your Committee on Conference encourages further discussion between HHSC, the Department of Human Services, and private hospitals to develop methods to maximize the amount of federal dollars received for uncompensated care, perhaps enabling HHSC to retain part of the amount currently used to support private hospitals.

Education

Your Committee on Conference remains concerned with the Department of Education's management of state funds in relation to its ability to achieve general learner outcomes for all public school students and adequately prepare Hawaii's youth for post-secondary education and careers. Your Committee on Conference finds it contrary to the Department's mission to regularly use funds intended for the classroom and student achievement to fund administrative and support services shortfalls.

To be clear, your Committee on Conference believes funds provided for public education are generally best directed for expenditure by schools. During the Department's January 19, 2012, briefing on its supplemental budget request, discussion centered on the Department's goal for the proportion of appropriations that should be expended at the school level. Through its reaction during the briefing and subsequent written response, the Department made clear that it has no such goal.

Your Committee on Conference finds that the concept of school directed expenditures is the preferred method for administering state resources. This concept is ingrained in state law as section 302A-1301(b), Hawaii Revised Statutes, which requires that:

Not less than seventy per cent of appropriations for the total budget of the department, excluding debt service and capital improvement programs, shall be expended by principals.

Your Committee on Conference understands that several aspects pertaining to how funds are budgeted for the Department have changed over the years. Nonetheless, your Committee on Conference is confounded by the Department's apparent disregard or ignorance of laws that govern it. Your Committee on Conference firmly believes that it is the responsibility of the Department to review laws that govern it and adhere to them.

The administration's request to increase the weighted-student formula (WSF) general fund appropriation by \$13,557,502 for enrollment growth comes on the heels of a large reduction the Department, itself, imposed on the program. The Department reduced WSF by \$7,780,000 through its allocation of a \$16,400,000 budget reduction. While the Department requested that the initial reduction be placed entirely in school based budgeting (EDN100), purportedly for flexibility to manage the amount administratively, your Committee on Conference expected that schools would be prioritized. Unfortunately, your Committee on Conference finds that WSF shouldered a substantial portion of the reduction. Your Committee on Conference has significant concerns regarding the amount of the reduction apportioned to the classrooms and the logic of then requesting additional funds for the same purpose. Your Committee on Conference further finds that the Department has historically transferred money out of WSF to cover shortfalls in other programs and has used general fund savings generated from federal dollars designated for WSF to finance the distended and highly-criticized student transportation contract costs.

Your Committee on Conference has expressed concerns about the Department's transfer of funds in the past and expects that the Department will follow through with its assurances that funds added to WSF in this supplemental budget will be allotted directly to the schools. To ensure that this pledge is upheld, your Committee on Conference has inserted a proviso into this measure that explicitly prohibits the Department from transferring funds out of the school-based budget program identifier (EDN 100). Your Committee on Conference believes that this proviso, in conjunction with legislative measures that compel the Department to expend funds as the Legislature intended, will finally result in WSF appropriations being wisely used to invest in Hawaii's future.

In accordance with the concept that state funds are best spent at the school level under the direction of principals, your Committee on Conference provided \$14,000,000 for the WSF. This funding will increase the amount provided to schools from between \$74.39 and \$86.44 per student, depending upon weighting factors. This translates into tens of thousands and, in some cases, hundreds of thousands of dollars for each school, based largely on student enrollment.

This appropriation for the WSF is not based on projected enrollment or prior funding levels for the Department. It is an additional amount, surpassing that which was requested by the Board of Education and the Governor, that your Committee on Conference is able

to provide for student education. It is your Committee on Conference's intent that the entire amount of this appropriation be spent by principals in the classrooms.

Distinct from your Committee on Conference's dedication to providing the resources necessary to achieve quality education in the classroom, is your Committee on Conference's unwillingness to fund unfettered bus contract price costs in the amount of \$42,000,000 in general funds, as requested by the Department. During the 2011 Regular Session, the Legislature adamantly rejected the Department's request for \$19,582,270 for student transportation contract costs for fiscal year 2012-2013. Further, the Legislature reduced an additional \$20,000,000 for non-mandated student transportation costs, effectively eliminating its budget for these services. The Legislature then required the Department to complete a comprehensive analysis to assess alternatives and various options and to evaluate needed service levels in all districts in order to provide sufficient justification for transportation services. Unfortunately, despite the Legislature's efforts to promote prudent spending practices and fiscal accountability, the Department has produced scant viable options to significantly reduce contract costs and initiate change in their operations.

Under the terms of the current bus contracts, as negotiated between the Department and bus companies, the cost to transport students to and from school is \$79,000,000 per year, which translates to about \$1,251 per child annually, or \$7.00 per child per day. Taxpayers are responsible for over ninety-six per cent of these costs. Further, because families pay only 50 cents per day for their child to ride the bus, the State is thereby subsidizing each student an average of \$6.50 per day for student transportation services. Clearly, operating school buses under such terms is neither sustainable nor prudent.

Your Committee on Conference is troubled by the Department's lack of action and disturbed by its recent pontifications that it will cease services to communities throughout the State if it is not provided additional funds. Not only were the Department's statements premature and speculative, but they failed to convey alternatives available to the Department to reduce costs and demonstrate the Department's failure to appreciably control such expenses. It is the Department that has allowed student transportation costs to spiral out of control under the misguided notion that the State would simply provide it with more money to pay for these costs. Your Committee on Conference finds that the Department has inefficiently spent millions of dollars on student transportation services. These misspent funds could have been used to fund other worthy programs.

However, your Committee on Conference is aware that student transportation services generally provide a safe and convenient option for getting students to school and are heavily relied upon in several areas of the State. Thus, your Committee on Conference has fully funded the Governor's requested amount of \$25,000,000 in general funds to provide student transportation services. The availability of this funding is conditioned upon a needs-based assessment of routes and the Board of Education's determination of which routes to fund. Your Committee on Conference notes that the \$25,000,000 provided for fiscal year 2012-2013 is twenty per cent more than the funding provided for the current fiscal year for non-mandated student transportation costs.

Adult education plays an integral role in improving the quality of life for many of Hawaii's residents. Services offered through the adult education program work to increase literacy rates statewide and help to provide individuals with degrees, career path opportunities, and workplace development. Unfortunately, fiscal conditions from the recent recession eventually led to an elimination of the Department's allotment to the adult education program for fiscal year 2012-2013. Without state support, adult education is at risk of losing its federal dollars as well.

Your Committee on Conference appreciates the valuable services adult education provides and recognizes the considerable amount of effort the program's project managers have made to reduce operation costs without compromising service levels and course offerings. As such, your Committee on Conference has provided \$2,500,000 in general funds to support the community school for adults program operations and maintenance of effort requirements.

In 2010, the federal government enacted the Healthy Hunger-Free Kids Act, initiating significant improvements to school meal and child nutrition programs. These programs provide low-income children with increased access to healthy food. The Act mandates states to increase student meal prices to correspond with the rates subsidized by the United States Department of Agriculture (USDA) to encourage program integrity and discourage the use of subsidized meal prices for students outside the low-income eligibility rates. While your Committee on Conference agrees with the USDA's goal to better regulate federal subsidies, it cannot be ignored that the slow recovery of our nation's economy has placed many families just beyond eligibility for a free or reduced-price meal for their children.

During the 2011 program review, the Department indicated that by increasing student meal prices from \$1.00 (elementary) and \$1.10 (secondary) to \$1.70 (elementary) and \$1.85 (secondary) for breakfast, and from \$2.25 (elementary) and \$2.50 (secondary) to \$3.10 (elementary) and \$3.35 (secondary) for lunch, Hawaii will have made the total required increase for the Healthy Hunger-Free Kids Act and will generate an additional \$6,100,000 in special fund revenues. Your Committee on Conference recognizes the Department's efforts to comply with the USDA requirements and state program review initiatives, but is concerned with the impact such a substantial increase will have on families just outside income eligibility requirements for free and reduced meals. Accordingly, your Committee on Conference has implemented just half of the requested \$6,100,000 general fund reduction to allow for a transition to the higher student meal prices. The additional \$3,050,000 in general funds provided to the Governor's requested budget will mitigate the need to fully raise student meal prices and the financial pressure higher meal prices will place on families.

Your Committee on Conference is concerned with the levels of student achievement in the State's public schools. In December of last year, the State was admonished by Race to the Top officials for its significant lack of progress in the first year of the \$75,000,000 four-year federal grant. Federal officials put the State on "high-risk" status and cited "unsatisfactory delays" and a lack of urgency in the implementation of the education reforms Hawaii had committed to upon receipt of the grant. Other federal education dollars will soon be scrutinized for sequestration in Congress' Budget Control Act and comparable deficit reduction strategies. It would be most unfortunate to lose federal funds that have already been awarded. As such, your Committee on Conference cautions the Department against any future delays that may result in the retraction of the remaining award and encourages the Department to accelerate progress on its commitments to the Race to the Top grant program.

Finally, your Committee on Conference cautions the Department that the appropriations made by this Legislature are all the resources it will have for fiscal year 2012-2013 and thus expects the Department to plan accordingly. The Department's inaccurate

enrollment projections or failure to take appropriate action to reduce student transportation costs are not compelling reasons for the Legislature to grant the Department an emergency appropriation.

Charter Schools

Prior to the start of this Regular Session, Hawaii's public charter school system underwent a performance audit and governance overhaul by two separate state entities. The Auditor rebuked charter schools as misinterpreting state law, misusing funds, and having "autonomy without accountability." Around the same time, the charter school governance, accountability, and authority task force conducted a comprehensive review of the relationships, responsibilities, and lines of accountability and authority among stakeholders of Hawaii's public charter school system, pursuant to Act 130, Session Laws of Hawaii 2011. Both entities determined that in order to improve the charter school program's integrity and ability to meet performance objectives, significant changes would have to take place.

Funding for charter schools is premised on the concept of providing operating funds in an amount equal to that provided by the Department of Education for regular education students on a per pupil basis. Your Committee on Conference finds the Department of Budget and Finance's calculation for this funding amount for fiscal year 2012-2013 to be in error, double counting certain facility related costs within the Department of Education budget. The Department of Budget and Finance also used a reduced projected enrollment of 9,973 for charter schools in its calculations.

Your Committee on Conference has provided \$1,032,152,385 for all regular education cost categories to the Department of Education. This amount does not include funding for special education services and adult education. The Department of Education has a projected enrollment of 174,332 students for fiscal year 2012-2013. This equates to a funding amount of \$5,920.61 per student.

Your Committee on Conference used the charter schools' projected student enrollment of 10,431 in its calculation of an appropriate funding level. Using this enrollment figure, the charter schools' appropriation must be \$61,757,919 to achieve a per pupil funding amount equal to regular education students. Thus, your Committee on Conference has denied an executive request to reduce the charter schools' budget by \$76,008 and has instead provided an additional \$432,302 in general funds to achieve this end.

In developing the budget for charter schools, your Committee on Conference finds that projected student enrollment and comparable funding for charter school and regular education students has been an ongoing point of contention for many interested parties. Your Committee on Conference believes that the validity of using the charter schools' projected enrollment figure to calculate charter school funding should be reassessed during the next regular session of the Legislature. To ensure that funding amounts provided for regular education and charter school students on a per pupil basis are equal, your Committee on Conference has required the Director of Finance to make an appropriate adjustment based upon actual student enrollment that will account for any errors in student enrollment projections.

University of Hawaii

The University of Hawaii system is the State's premier institution for higher education, a nationally recognized research university, and a local economic driver. While the University system is experiencing unprecedented increases in enrollment across all campuses, your Committee on Conference recognizes its ability to accommodate its growing student population through tuition revenue.

The University of Hawaii West Oahu (UHWO) will open the new Kapolei campus this fall. The campus will serve as a convenient, alternate campus to university students living on the west side of the island, with similar general education courses and future specialized concentrations such as allied health services, health care administration, and media. Your Committee on Conference supports the campus' goal of raising the educational and economic attainment levels in the West Oahu region.

Your Committee on Conference understands the importance of increasing the enrollment and graduation rates of native Hawaiian students throughout the University system. In accordance with this goal, your Committee on Conference commends the success of the Na Pua Noeau program, an educational enrichment and college preparatory program for native Hawaiians in grades K-12. Through site visits, leadership programs, and other learning activities, this program has maintained a long-standing history of successfully increasing the native Hawaiian admission and graduation rates within the University system. Thus, your Committee on Conference has provided eighteen positions and \$700,000 in funds to expand and institutionalize Na Pua Noeau statewide. This will allow the program to provide outreach to more students, enhance science, technology, engineering and math (STEM) activities, and provide better coordination among all the University of Hawaii campuses.

Your Committee on Conference is concerned with the University's growing maintenance backlog and reliance on general funds and general obligation bond funds for capital renewal needs. To address immediate capital renewal needs, your Committee on Conference has provided eleven positions and \$600,000 in special funds for the University to recruit additional personnel to implement repairs more efficiently. In addition, your Committee on Conference has required the University to submit a report detailing a long-term expenditure plan on funding its capital renewal needs through the use of its own revenues.

Your Committee on Conference is aware of the overcompensation of funds for furlough restoration that the University received last year. For fiscal years 2011-2012 and 2012-2013, this restoration amount equates to nearly \$12,000,000 more than the preceding year's furlough reduction amount. In addition, the University of Hawaii Professional Assembly (UHPA) fringe related costs due to UHPA's salary snapbacks and paybacks will cost the State an additional \$3,096,600 for fiscal year 2012-2013. Rather than reduce these amounts from the University budget, your Committee on Conference has allowed the University to retain these funds, at this time, in order to fund its strategic goals and priorities.

Budget and Finance

Fixed costs such as debt service, retirement system, and health benefit payments comprise one-third of the State's total general fund budget. These components require annual adjustments based upon assumptions for interest rates, payroll growth, and membership growth, which are beyond your Committee on Conference's ability to modify on a near term basis.

The Department of Budget and Finance continues to confront fiscal challenges and operational deficiencies wrought by the previous administration. Tasked with the broad scope of managing the state budget and effectively allocating state resources, the Department has spent the last year reprioritizing operational functions and fostering sustainable levels of service delivery. This has proven to be a significant undertaking, and the Department has struggled to meet national reporting requirements due to the absence of prior year financial statements and loss of staff. In the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) program, a delay in the fund's audit contributed to the delayed issuance of the State's comprehensive annual financial report upon which bond issuances and credit ratings are based.

As of July 1, 2009, the EUTF had a total unfunded actuarially accrued liability (UAAL) of \$14,546,500,000, the State's portion of which was \$11,523,300,000. In order to amortize the UAAL, the State would have had to dedicate \$441,400,000 for the annual required contribution, beginning fiscal year 2008-2009. Unfortunately, the State did not have the ability to fund a corpus of that magnitude then or at any time since. The reality of today's fiscal limitations and the need to maintain core services across numerous state agencies have necessitated that state funds be committed elsewhere.

However, your Committee on Conference recognizes the potential foresight and advantages of setting aside money towards the annual required contribution for the EUTF. It is critical to the long-term viability of the EUTF and the State to implement reforms that moderate the public employer health benefits contributions for active and retired members while maintaining sufficient benefits coverage. To this end, your Committee on Conference has provided \$100,000 to commission a study on improving the financial health of the EUTF. This study will address the UAAL and explore the possible implementation of reforms to develop a solvent and sustainable funding source for the EUTF.

The treasury branch experienced considerable delays in processing temporary deposit receipts (TDR) following the reduction-in-force in fiscal year 2009-2010. Processing time for TDRs increased from one or two days to forty-two days and resulted in restricted access to state funds for several agencies. Your Committee on Conference finds that the Department's current staffing level is not operationally sustainable and, thus, has restored the needed position and funding.

Most funds available under the American Reinvestment and Recovery Act (ARRA) will be used by the close of fiscal year 2012-2013. In an effort to ensure the proper closure of remaining ARRA grants, your Committee on Conference has reestablished positions and provided funds for the Office of Economic Reinvestment and Recovery. Your Committee on Conference understands that these positions will help the State to meet ARRA expenditure reporting requirements in a timely manner and avoid unnecessary penalties from the federal government.

The retirement benefit changes established pursuant to Act 163, Session Laws of Hawaii 2011, necessitated major changes in the State's existing Employees' Retirement System (ERS) software. The State's pension administration system contract requires that all programming changes be contracted through the vendor, otherwise voiding the system's warranty. Your Committee on Conference has been assured that the quoted sum of \$6,033,000 in other funds is a realistic estimate, after having monitored cost of service in the private sector and reviewed the extensive services necessary to implement the change. As such, your Committee on Conference has fully funded the request for the ERS' system reprogramming needs.

The Hawaii EUTF has also been tasked with significant changes in benefits plans and has had to expand the scope of the EUTF software to not only include civil unions but also transition in Hawaii State Teachers Association members formerly covered under a voluntary employee beneficiary association. The Department has reported that the need to make these changes in a timely manner has overextended staff and created challenges in retaining employees. As such, your Committee on Conference has established thirteen positions and provided \$300,000 to address the operational deficiencies in the EUTF program.

In accordance with the Governor's initiative to right-size government, the 2011 Legislature required the Department to identify \$50,000,000 in program review savings for fiscal year 2011-2012 and fiscal year 2012-2013 and approximately \$88,200,000 in labor savings, across all departments. The Department managed the program review reduction by requesting proposals that met targeted savings amounts from each of the departments and submitted the statewide program review to this Legislature. Labor savings transferred into state retirement benefits program were reported as:

\$69,500,000 for fiscal year 2011-2012 and \$69,560,000 for fiscal year 2012-2013 in direct labor savings reductions from state departments; and indirect labor savings of \$18,700,000 for fiscal year 2011-2012 and \$18,640,000 for fiscal year 2012-2013 in indirect labor savings [based] upon revised projections for pension accumulation contributions and Social Security/Medicare costs resulting from lower gross direct labor costs for fiscal years 2012 and 2013.

However, the delayed implementation of the 2011 legislative adjustment to the state contribution amount from a 60/40 per cent (employer/employee) split to 50/50 for health benefit premiums resulted in additional EUTF costs for the first five months of fiscal year 2011-2012. As such, your Committee on Conference has provided \$1,738,963 in general funds for fiscal year 2011-2012 to adjust for these costs. Concurrently, the decrease from fourteen days of directed pay without leave in fiscal year 2011-2012 to thirteen days for fiscal year 2012-2013, in accordance with bargaining unit (1)'s revised contract, necessitated further adjustments to the departmental administration program. As such, your Committee on Conference has provided approximately \$2,500,000 in all means of financing for fiscal year 2011-2012 and approximately \$3,600,000 in all means of financing for fiscal year 2012-2013 to adjust for this change.

Public Safety

Hawaii's dependence on out-of-state prisons has been a cause for concern for the last several years. As of 2011, approximately one-third of the State's adult prison population is incarcerated outside of Hawaii. As a result, approximately \$50,000,000 is expended in mainland municipalities each year rather than in the local economy. To date, State efforts to reduce the use of out-of-state prisons have been limited.

In June 2011, efforts began pertaining to the Justice Reinvestment Initiative (JRI), a multi-state plan to reduce incarceration and recidivism rates through strategic data-driven policy development and public safety system investments. The goal is to bring incarcerated inmates back to Hawaii and appropriately prepare inmates for release.

From a financial perspective, your Committee on Conference supports the JRI and believes the strategic programs detailed in the Department of Public Safety's supplemental budget request will help the State achieve its JRI objectives. However, your Committee on Conference has concerns regarding the Department's ability to achieve its savings targets. Your Committee on Conference has reduced the proposed scope of the initial investment in the initiative and approved a transfer of \$3,362,759 in general funds from Non-State Facilities funding to various Public Safety programs as well as to the Judiciary and counties in order to expand and establish programs corresponding to JRI.

Your Committee on Conference is aware that cooking equipment at various detention facilities is outdated and parts are no longer available for repairs and maintenance. Your Committee on Conference has provided \$291,000 in general funds for the replacement of the outdated equipment. It is your Committee on Conference's intent that these funds will ensure that inmates receive higher quality meals that will, in turn, improve their health.

In 2011, a new community standard for the Hepatitis C treatment was established with a markedly higher effectiveness rate than other available treatments. Your Committee on Conference believes that the Department should adhere to this new community standard to improve the health of those infected and reduce transmission rates in prisons. To this end, your Committee on Conference has provided \$1,216,000 in general funds for Hepatitis C treatment for incarcerated inmates. This funding will provide for a new higher standard for the prison population and provide hope to those that have not responded well to previously available treatments.

Land and Natural Resources

Despite previous budget reductions, the Department of Land and Natural Resources has remained committed to protecting, conserving, and managing Hawaii's unique and limited natural, cultural, and historic resources.

The Department is planning to merge the Division of Aquatic Resources and the Division of Forestry and Wildlife into a single land management system based on the traditional Hawaiian Ahupuaa approach, where one division would administer the entire region and its resources running from the mountains to the ocean. No organizational changes appear in the current supplemental budget, as the Department plans on formalizing the merger in the next fiscal biennium. Your Committee on Conference is concerned about the merger's impact on Hawaii's local farmers and fishermen as well as on its water supply, including its irrigation systems, reservoirs, dams, and watersheds. Therefore, your Committee on Conference looks forward to receiving more information and a comprehensive implementation plan from the Department on these important proposals prior to actualizing any changes.

Your Committee on Conference understands the Department's role in maintaining Hawaii's most valuable assets. Hawaii's fresh water supply is not inexhaustible and is susceptible to local and global environmental changes. As such, it requires prudent management and protection. Only ten per cent of priority watersheds in the Hawaiian islands are currently protected. Through its watershed partnership program, the Department has identified high priority areas that remain unprotected. Since fence construction is the largest cost in protecting watersheds, your Committee on Conference has provided \$3,000,000 in general obligation bond funds, in addition to \$2,500,000 in special funds, to help administer the program and increase the protection of priority watersheds throughout the State.

While your Committee on Conference recognizes the goal of the ten-year watershed initiative plan in safeguarding water resources for future generations, your Committee on Conference is also cognizant of the fact that this will be the first year of the watershed initiative plan. As such, your Committee on Conference has required the Department to submit a detailed status report outlining implementation, funding, and any complications in advancing the initiative.

Your Committee on Conference is aware of the damage to state lands during the March 2012 storms. After considering the amount of damage assessed by the Department, your Committee on Conference has provided \$1,000,000 in special funds to address rock fall abatement and other needs.

In response to the Governor's emergency proclamation of April 14, 2011, the Department has been working on relocating over four hundred Nene geese near Lihue Airport on Kauai due to aviation safety issues. In light of their need for more resources, your Committee on Conference has provided eleven positions and \$800,000 in interdepartmental transfer funds from the Department of Transportation. The Department's Nene relocation plan covers a five-year period and requires \$800,000 per year for the remaining four years in order to safely capture, relocate, and ensure the survival of this endangered species.

Your Committee on Conference is cognizant of the Federal Communications Commission mandate that requires the narrow banding of all state agencies' very-high frequency radio systems. Your Committee on Conference commends the Department for assessing their remaining wideband radio inventory and determining the level of support needed to adhere to this mandate. Thus, your Committee on Conference has provided \$750,000 in general funds for the Department to finish updating their green net radio system by January 1, 2013, in order to avoid federal penalties.

Your Committee on Conference also understands the importance of integrating information technology into existing statewide systems to increase access, transparency, and cost savings in the future. To this end, your Committee on Conference has provided \$400,000 to digitize land documents, of which \$200,000 will be transferred to the Department of Accounting and General Services for a two- to three-year initiative for digital archiving.

Your Committee on Conference acknowledges the Public Land Development Corporation's need for additional resources in order to serve as a liaison for public-private land partnerships. Thus, your Committee on Conference has provided three positions and \$350,000. In addition, due to increasing demand for geothermal energy resources, your Committee on Conference has provided two positions and \$287,935 for geothermal management functions in Water and Land Development.

Agriculture

Agriculture is an integral part of Hawaii's history and goal to achieve a more diversified economy. Your Committee on Conference is dedicated to promoting agricultural self-sufficiency, conserving farmland resources, and preventing the establishment of invasive species statewide.

Your Committee on Conference recognizes the importance of keeping water available and affordable to all classes of consumers across the State. The State's irrigation systems, some having existed for over a century, require continual repair, maintenance, and upkeep. The irrigation systems program is short-staffed, delaying repairs and maintenance that will only increase future costs. As such, your Committee on Conference has provided five irrigation positions and changed the means of financing from revolving funds to special funds for six positions serving the systems on the islands of Oahu, Molokai, and Hawaii. In addition, your Committee on Conference has converted two positions from temporary to permanent for the creation of the Agricultural Infrastructure Branch to help manage irrigation systems and other infrastructure resources statewide.

Your Committee on Conference is aware that prior year reductions have negatively impacted the management of invasive species in Hawaii. Your Committee on Conference is also aware that certain federal aviation grants and fee deposits are terminating. To mitigate these effects, your Committee on Conference has provided nine positions and \$215,568 in general funds for Plant Quarantine inspectors located at Kahului Airport, and has changed the amount and means of financing for twenty positions from \$1,562,938 in special funds to \$1,116,384 in general funds, in accordance with the United States Department of Transportation's ruling which terminated the deposit of cargo fees by air carriers into the pest inspection, quarantine, and eradication fund.

Your Committee on Conference realizes the significance to quality and price assurance of inspecting and evaluating food commodities. Due to an increase in food safety issues, your Committee on Conference has provided two positions and \$169,859 to inspect and audit food for proper safety standards.

Your Committee on Conference has also provided two positions and \$139,322 for the creation of the Agricultural Land Branch in the Agricultural Resource Management Division of the Department of Agriculture, which will manage the Department's land resources, including agricultural park and non-agricultural park lands.

Your Committee on Conference acknowledges the personnel challenges faced by the Department's Measurement Standards Branch and recognizes the importance of inspecting the accuracy of scales, gas pumps, and taxi meters. Due to severe budget cuts and attrition resulting from retirement, the Measurement Standards Branch is currently left with only one active inspector and one worker on extended leave. As such, your Committee on Conference has provided four positions and \$420,000 to include regular inspections statewide and to effectively implement quality assurance in the State.

Business, Economic Development, and Tourism

Last year, your Committee on Conference expressed concerns regarding the Department of Business, Economic Development, and Tourism's habit of reorganizing through the budget without consulting the unions. Commensurate with these concerns, the Legislature denied transfers that would affirm the reorganization in the budget and urged the Department to postpone implementation until a formal reorganization process was initiated. The Department responded by working with the appropriate union officials and the Department of Budget and Finance to develop an implementation plan that incorporated input from all affected parties and, pursuant to Act 164, section 122, Session Laws of Hawaii 2011, submitted a report to the Legislature detailing the reorganization process. By the Department's efforts, your Committee on Conference finds that last year's concerns have been addressed. Therefore, your Committee on Conference has approved the transfers of positions and funds that reflect the Department's reorganization plan for fiscal year 2012-2013.

The presence of unexpended grant funds in the United States Department of Energy has permitted states, including Hawaii, to modify energy grant awards and extend federal funding to the end of this calendar year. Your Committee on Conference continues to support the Department's strategic involvement in this growing industry and has authorized the expenditure of \$1,423,814 in federal stimulus funds for state energy projects in accordance with the State's successful grant extension.

Commerce and Consumer Affairs

Your Committee on Conference recognizes the Department of Commerce and Consumer Affairs' need to be current and compliant as it pertains to licensing and information technology in order to offer secure and uninterrupted services. The Department's computer operating software has not been updated in ten years. The State has been informed that if updates are not administered by April 2014, the Professional and Vocational Licensing Division's computer operating system will become outdated and unable to support future upgrades from the system's vendor.

Your Committee on Conference is concerned about the repercussions this may cause to the applicant licensee integrated automated system (ALIAS), which is dependent on the computers in the Professional and Vocational Licensing Division. An interruption in ALIAS operations would severely affect state functions and could adversely impact the over three hundred thirty thousand licensees, from over forty-seven different professions that the system serves. To address this concern, your Committee on Conference has provided \$400,000 from the compliance resolution fund for the purchase of services and software related to ALIAS updates. Your Committee on Conference has approved an additional \$205,000 from the compliance resolution fund for information technology improvements, including the replacement of seven-year-old servers that have exceeded their warranty, and for subscription to a disaster recovery service.

In compliance with Act 208, Session Laws of Hawaii 2010, your Committee on Conference has provided two positions and \$114,532 to support and process the new registration requirements placed upon individual security guards. Initial funding provided from the compliance resolution fund will be reimbursed using fees collected from individual guards.

Your Committee on Conference has authorized expenditure increases to accommodate increased incidental costs of the Department. To address maintenance fee increases from the Department of Accounting and General Services, your Committee on Conference provided \$117,341 in compliance resolution funds. Your Committee on Conference has also provided \$350,000 in compliance resolution funds to cover management and financial audits required by Act 19, Session Laws of Hawaii 2011, which requires the operation, supervision, and management of programs of public, educational, and government access facilities.

Attorney General

To support the Department of the Attorney General's operations, your Committee on Conference has provided \$115,000 for the maintenance and operating costs of the automated fingerprint identification system and the juvenile justice information system. Both systems allow various government officials to identify criminal offenders and spread information about missing children. In addition, your Committee on Conference has provided \$72,000 to ensure the prompt handling and recording of child support payments.

Your Committee on Conference is concerned that funding shortages could result in the loss of needed services for sex assault victims. As such, your Committee on Conference has provided \$466,140, which will support an expiring grant-in-aid for sex assault services available through Kapiolani Medical Center.

Your Committee on Conference understands that prior reductions have inhibited the Department's ability to fill positions. The Department must hold a significant portion of its positions vacant in order to meet savings targets. Accordingly, your Committee on Conference has provided \$100,000 to enable the Department to fill critical positions in its legal services division. An additional \$140,000, matched on a two-to-one basis from federal sources, is provided to child support enforcement services for similar purposes. Your Committee on Conference notes that it has directed the Director of Finance to require that all executive agencies provide more accurate budget information that clearly delineates how funds are projected to be used so that legislators can make informed budgetary decisions.

Accounting and General Services

The Department of Accounting and General Services is responsible for producing the State's comprehensive annual financial report (CAFR). The CAFR is generally expected to be produced six months after the end of the fiscal year. However, Hawaii's CAFR was subject to delays of fourteen months for fiscal year 2009-2010 and eight months for fiscal year 2010-2011. Timely submission of the CAFR is important to numerous state agencies and is used in determining state bond ratings. Thus, your Committee on Conference has provided \$80,000 in general funds to hire an accounting firm for consultant services to ensure timely production of the CAFR.

Your Committee on Conference recognizes the important role information technology has in state government operations. Strategic implementation of information technology initiatives can facilitate faster service delivery, increase transparency, and generate savings by reducing operational inefficiencies. The State's new chief information officer is in the process of developing the State's information technology strategic plan to transform Hawaii's information technology infrastructure.

The administration's highest priority initiative concerns repairs and updates to state systems in need of immediate attention for security or audit reasons. In furtherance of this project and others, your Committee on Conference has provided four positions, and \$10,300,000 in general funds to the Information and Communication Services Division for Office of Information Management and Technology projects (OIMT). The OIMT projects fall into three categories: triage, pilots, and business process and information technology reengineering. This level of funding will provide the chief information officer with the flexibility to implement projects with continued input from stakeholders, including legislators and state departments.

Your Committee on Conference understands that economic conditions have caused a significant rise in energy costs. Despite state efforts to reduce energy usage, increases in electricity and utility rates have driven state utility costs beyond the Department's authorized budget. Thus, to accommodate cost increases, your Committee on Conference has provided \$4,769,000 in general funds to Central Services for rising energy and sewer costs and carry-over costs from fiscal year 2011-2012 shortfalls.

On March 8, 2012, the State's Reapportionment Plan was challenged in the United States District Court for the District of Hawaii. Your Committee on Conference has provided \$1,090,612 in general funds to support the Office of Elections and the Reapportionment Commission in the event that additional consulting services are needed to redraw the district lines.

Transportation

Your Committee on Conference supports the Department of Transportation in its oversight and maintenance of the State's airports, harbors, and highways. Your Committee on Conference provided funds for debt service payments for both the airports and highways to support modernization and refurbishment projects.

Your Committee on Conference is aware that rising energy costs have created a shortfall in the Department's ability to meet airport utility needs. The lack of funds has caused various projects to be canceled or postponed. As such, your Committee on Conference has authorized \$17,160,000 in special funds to cover the deficit in utility costs, thereby eliminating the need to shift funds to manage shortfalls and to enable queued projects to resume.

Oahu highways are currently maintained by landscapers and general laborers. However, due to the varying skill-sets required for different services, the Department is limited in its ability to efficiently dispatch staff. The multi-skilled worker program allows a team of workers to be cross-trained in various skills, thereby improving the ability of existing staff to respond to multiple types of maintenance calls and improve overall response times. Your Committee on Conference commends the Department's efforts to increase efficiency through the multi-skilled worker program and has provided \$1,646,708 in special funds for this purpose.

Recognizing the extensive damages that recent heavy rains and flooding have caused throughout the State, and the urgency in which emergency response services must be developed and implemented, it is critical to designate funding in fiscal year 2012-2013 for essential clean-up and amelioration services needed across the islands. Although the full extent of damages cannot be assessed at this time, your Committee on Conference believes it prudent to provide \$2,000,000 in special funds to the Department to aid public highways.

Defense

The Department of Defense is uniquely situated to draw down significant sums of federal funds. As such, your Committee on Conference has provided \$167,500 in general funds that will draw down \$502,500 in matching federal funds to assist with modernization projects, including a twenty-five-meter zero range at Keaukaha on Hawaii Island and electrical system infrastructure developments at Kalaeloa on Oahu.

Your Committee on Conference recognizes the importance of supporting postsecondary education for the members of the Hawaii Army and Air National Guard. As such, your Committee on Conference has provided \$150,000 in general funds to reestablish the State of Hawaii National Guard tuition assistance program with the goal of boosting recruitment, which had experienced significant declines following the loss of tuition assistance funding.

Labor

Your Committee on Conference is concerned with the operations of the Department of Labor and Industrial Relations Hawaii Occupational Safety and Health Division, which faces a large outstanding backlog with limited staff. Thus, your Committee on Conference has provided for the addition of ten positions and the transfer of twelve positions from general funds to special funds to address the pressing issue of elevator and boiler safety.

Your Committee on Conference is aware that the loss of positions has made the Department's daily operations more difficult. Among these were investigator positions for the Civil Rights Commission, which were abolished in the reduction-in-force in fiscal year 2008-2009. Accordingly, your Committee on Conference has provided funding to establish two half-time investigator positions. These investigators will process housing and equal employment opportunity complaints, thus reducing current caseloads.

Hawaiian Home Lands

Your Committee on Conference recognizes the need to assess the modernization and digitization of the Department of Hawaiian Home Lands' database and records. Digitization can potentially generate cost savings for the Department, provide easy access to useful information for other state agencies, and expedite the placement of qualified applicants into homesteads. Your Committee on Conference encourages the Department to work with the chief information officer to further this goal.

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 \$30,000,000 annual settlement deposit will be received in 2014. The ability of the Department to carry out its mission in the absence of these funds has been a continued concern of the Legislature. Your Committee on Conference finds that the Department has yet to provide a financial report outlining its proposal to fund operations following the discontinuation of settlement funds, as provisioned in prior years. Your Committee on Conference strongly recommends that a report be produced for the benefit of both the State and the Department of Hawaiian Home Lands, as most recently required by Act 164, Session Laws of Hawaii 2011.

Human Resources Development

Your Committee on Conference acknowledges the Department of Human Resources Development's requested reduction of \$510,000 for unemployment insurance benefits. This request was a result of the administration's program review that sought to achieve state savings. Your Committee on Conference finds that the requested adjustment simply shifts costs to other state agencies and that no efficiencies or savings would be achieved. Accordingly, your Committee on Conference has restored this amount to the Department's budget so that it will continue to provide for the unemployment insurance benefits costs for affected state agencies.

VI. CAPITAL IMPROVEMENTS PROGRAM

In preparing the capital improvement program (CIP) budget contained in this measure your Committee on Conference has remained mindful that in spite of signs that the State's economy is improving, the effects of the recession continue to be felt across the State, especially in the construction industry, which is still experiencing unacceptably high levels of unemployment. While investment in infrastructure and facilities is crucial for short-term economic growth and job creation, the need for a sustained program for economic growth is vital for a robust and growing economy.

As such, after carefully considering current economic conditions, along with the proposals, needs, and priorities of the administration and the departments, your Committee on Conference, has provided \$827,425,000 in general obligation and general obligation reimbursable bond-funded projects and \$3,229,619,000 in all means of financing for capital projects in FY 2012-2013.

While developing the capital improvement project budget, your Committee on Conference scrutinized each request, aware of the imminent need for "shovel ready" projects that will address the repair and maintenance and health and safety project backlogs which continue to fester within the State's agencies and departments. These projects:

- (1) Address many critical health, safety, and code requirements;
- (2) Reduce current repair and maintenance backlogs throughout several departments; and
- (3) Provide jobs for unemployed and underemployed residents.

Your Committee on Conference believes that this capital improvement program budget will not only help spur economic recovery, but will also address the most basic necessities expected of state facilities.

Your Committee on Conference has demonstrated its ongoing commitment to invest in the education of our keiki by including \$296,472,000 for the Department of Education for fiscal year 2012-2013. Of this amount \$116,500,000 has been appropriated for classroom renovations and school building improvements to address the departments' repair and maintenance backlog. Additionally, \$10,000,000 has been provided for electrical upgrades to support the rapidly evolving technology that is imperative to keep students competitive in the global economy. Your Committee on Conference has also approved \$30,000,000 in various lump sum appropriations for schools throughout the State to address Americans with Disabilities Act compliance, health and safety and special education needs.

For the University of Hawaii, your Committee on Conference has approved over \$80,000,000 for capital renewal and deferred maintenance as well as health, safety, and building code requirements, System wide. Your Committee on Conference has also taken note of the significant growth in student enrollment at the community colleges and has therefore provided an additional \$27,500,000, including \$10,000,000 to address capital renewal and deferred maintenance needs at all community college campuses. Also included is

\$10,000,000 for Kapiolani Community College to begin construction of the Culinary Institute of Pacific; and \$7,500,000 for Hawaii Community College, allowing them to leverage more than \$9,000,000 from private funds to complete Phase I and II of the new campus.

Your Committee on Conference has also addressed the needs of health and human services facilities throughout the State. Over \$60,000,000 has been provided for fiscal year 2012-2013 to allow the Hawaii Public Housing Authority to continue to upgrade its units and help achieve its mission to better provide adequate shelter and housing to low-income families. Furthermore, a total of \$35,000,000 has been appropriated in fiscal year 2012-2013 for the Hawaii Health Systems Corporation to help tackle the repair and maintenance needs at community hospitals statewide.

Lastly, your Committee on Conference remains keenly aware of Hawaii's need, as an island-state, to preserve its long-term sustainability. Nearly \$26,000,000 has been provided to the Department of Agriculture and Department of Land and Natural Resources to allow them to continue their efforts to maintain the State's irrigation systems, as well as rivers, reservoirs and dams statewide, including \$1,100,000 to upgrade, repair and reinforce the Hanalei River breach which was made worse by the recent heavy rains.

Your Committee on Conference also recognizes that because of Hawaii's slow economy, many community programs run by non-profit organizations have had to reduce their level of services. Subsequently, your Committee on Conference realizes the benefits of funding some of these programs and has therefore provided over \$20,000,000 for CIP grant in aids for the 2012-2013 fiscal year.

Your Committee on Conference believes that the implementation of the numerous projects within this capital improvement project budget will result in the expansion of Hawaii's economy. In addition, your Committee on Conference aimed to address those structural needs most critical to maintaining the long-term viability of the State's facilities. It is only through the ongoing maintenance of these facilities that the State can continue to provide the programs and services essential to those who need them the most.

VII. CONCLUSION

The combined efforts of the House of Representatives, the Senate, the administration, and countless interested parties have contributed greatly to the programs advanced by this measure. Your Committee on Conference acknowledges all those that have worked toward the development of this responsible expenditure plan.

Your Committee on Conference has adjusted the Governor's operating supplemental budget request by appropriating through this measure \$5,443,461,659 in general funds and \$11,027,264,452 in all means of financing for fiscal year 2011-2012, and \$5,598,768,779 in general funds and \$11,182,733,938 in all means of financing for fiscal year 2012-2013.

Your Committee on Conference has also 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. 2012, 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. 2012, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Kidani, Chun Oakland, Dela Cruz, English, Espero, Fukunaga, Kahele, Kouchi, Ryan, Tokuda, and Wakai.
Managers on the part of the Senate.

Ayes, 10. Noes, none. Excused, 2 (Kahele, Wakai).

Representatives Oshiro, Choy, Cullen, Giugni, Har, Hashem, Ichiyama, Jordan, Kawakami, C. Lee, M. Lee, Morikawa, Tokioka, Yamashita, Marumoto, Riviere, and Ward.

Managers on the part of the House.

Ayes, 17. Noes, none. Excused, none.

Conf. Com. Rep. 132-12 on H.B. No. 1800

Your Committee on Conference finds that the Ronald T.Y. Moon Judiciary Complex, which opened in Kapolei in phases during early 2010, has maintenance and warranty contracts that are expiring, just two years later. Accordingly, your Committee on Conference has provided \$696,446 for maintenance and building security contracts required to keep the facility operating efficiently.

In addition, your Committee on Conference finds staffing of the Kapolei detention facility inadequate, which has resulted in considerable overtime use of staff. To address this issue, your Committee has authorized 4 juvenile detention worker positions and appropriated \$154,416 for this purpose. Your Committee expects the Judiciary to work toward significantly reducing use of overtime at the facility.

The on-call nurse's contract must be sustained in order for nurses to be present at the detention facility on off hours and holidays where day staff is not present. The nurses will provide care when necessary at the contract rate instead of a regular rate. Accordingly, your Committee on Conference has appropriated \$100,000 in order to provide for the on-call nurse contract.

Your Committee on Conference is mindful that the Department of Public Safety has or will soon stop providing adult community service sentencing services in the second, third, and fifth circuits. The loss of these services would make it difficult for indigent members of the community to pay fines owed to the State. If this occurs, the only other alternative available to judges would be to order incarceration. To maintain adult community service sentencing as a viable option, your Committee on Conference has authorized eight positions and provided \$271,380 to enable the Judiciary to provide adult community service sentencing on the islands of Maui, Hawaii, and Kauai.

Your Committee on Conference further finds that court interpreter services offered for various court cases for community members needing assistance is currently limited. To expand these services, your Committee on Conference has provided \$234,728. The funds will be used to make additional languages available for court interpreter services. This will allow greater public access to the courts.

Your Committee on Conference is aware that district family court judges have recently experienced significant increases in caseloads. In 2007, the Legislature authorized positions for this purpose, though funding was not available to fill the positions. Your Committee on Conference has provided \$267,684 to fund a previously established judge and three support positions. This funding will assist with the caseloads and promote the efficient delivery of judicial services to the public.

Your Committee on Conference notes that work began on the Justice Reinvestment Initiative (JRI) in June 2011. The ultimate goal of the JRI is to bring inmates home from non-state facilities and prepare inmates for reintegration into society. This is anticipated to result in significant cost savings over time. In order to achieve this goal, various programs must be expanded, and the Judiciary will play an important role in the process. Your Committee on Conference is supportive of the JRI and has authorized two positions and provided \$125,000 for probationary services.

Your Committee also notes that the Judiciary requested an appropriation of \$200,000 to pay for projected costs of unemployment insurance benefits for its employees. This resulted from an executive branch proposal to shift payment of this cost from the Department of Human Resources Development to the Judiciary. Your Committee finds that efficiency is not gained under this proposal and will continue to provide for the Judiciary's unemployment insurance benefits expenses through executive branch appropriations.

Lastly, your Committee has appropriated \$21,382,000 in general obligation bond funding for capital improvement projects for the FY 2012-2013 supplemental budget. The amount includes funding for various internal maintenance and upgrade projects to resolve issues with air handling systems on Maui and Oahu, as well as exterior building improvements at various sites across 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. 1800, 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. 1800, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Keith-Agaran, Oshiro, M. Lee, and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Thielen).

Conf. Com. Rep. 133-12 on H.B. No. 1838

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

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

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

Your Committee on Conference has amended this bill by:

- (1) Inserting the appropriate amounts provided by the Department of Budget and Finance;
- (2) Updating dates cited in the measure;
- (3) Changing the effective date to "upon its approval;" and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1838, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1838, S.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 Oshiro, Choy, M. Lee, Yamashita and Ward.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 134-12 on H.B. No. 2684

The purpose of this measure is to work towards alleviating traffic congestion on the island of Oahu by requiring the Department of Transportation to conduct a study on the feasibility of extending the zipper lane westward from Waipahu toward Kapolei, west of the Kunia on-ramp on the island of Oahu.

This measure also appropriates an unspecified amount of funds to the Department of Transportation to conduct the study.

Motor vehicle transportation has been and continues to be both a critical necessity for, and the bane of, Hawaii's drivers. Increased time spent on the road in travel decreases time spent with family or at work, work efficiency, and quality of life. As the population grows, especially on the west side of Oahu, the need for travel lanes will increase.

High occupancy vehicle lanes, such as zipper lanes on Oahu, provide an incentive to carpool, effectively reducing the number of cars on the road. However, your Committee on Conference finds that a zipper lane providing access to west Oahu could be more effective in reducing traffic if it extended westward from Waipahu toward Kapolei, west of the Kunia on-ramp.

Your Committee on Conference has amended this measure by inserting an appropriation of \$200,000 for the Department of Transportation to conduct the study.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2684, 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. 2684, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Ichiyama, Awana, Cabanilla, Har, Jordan and Johanson.
Managers on the part of the House.
Ayes, 7. Noes, none. Excused, none.

Conf. Com. Rep. 135-12 on H.B. No. 283

The purpose of this measure is to protect Hawaii's coffee industry and coffee agricultural assets from invasive species by providing State funds for a program to control and eradicate the coffee berry borer, which would include the destruction of feral coffee trees.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the Director of Finance is authorized to transfer \$196,000 from the Agricultural Loan Revolving Fund to the Pest Inspection, Quarantine, and Eradication Fund;
- (2) Inserting an appropriation of \$196,000 from the Pest Inspection, Quarantine, and Eradication Fund for a program to control and eradicate the coffee berry borer;
- (3) Changing its effective date to July 1, 2012; 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. 283, 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. 283, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Ige, Kidani, Wakai and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Ige).

Representatives Tsuji, Hashem, Coffman, Evans and Riviere.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 136-12 on H.B. No. 1942

The purpose of this measure is to help make the State's import system more efficient, increase available data on imported commodities, measure food self-sufficiency and sustainability, and promote compliance with existing state law by authorizing the use of funds in the Pest Inspection, Quarantine, and Eradication Fund for the Electronic Importer Manifest Program.

This measure also appropriates an unspecified amount from the Pest Inspection, Quarantine, and Eradication Fund to implement the Program.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$200,000 to implement the Electronic Importer Manifest Program; and
- (2) Changing the effective date to 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. 1942, 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. 1942, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Ige, Kidani, Wakai and Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

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

Conf. Com. Rep. 137-12 on H.B. No. 1943

The purpose of this measure is to provide funding for detector-dog inspector positions under the Department of Agriculture.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$162,540 to fund the plant quarantine detector-dog program, including one inspector/detector-dog trainer and three inspectors/dog handlers; and
- (2) Changing the effective date of this measure to 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. 1943, 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. 1943, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Ige, Kidani, Wakai and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Ige).

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

Conf. Com. Rep. 138-12 on H.B. No. 2100

The purpose of this measure is to promote agricultural production by appropriating general funds to the University of Hawaii system for bee hive research.

Your Committee on Conference has amended this measure by:

- (1) Changing the allocations to the several islands to allocations to the several counties instead;
- (2) Inserting an appropriation amount of \$30,000 and specifying an allocation in the amounts of \$5,000 to each of the counties and \$10,000 to the College of Agriculture, Forestry, and Natural Resource Management at the University of Hawaii at Hilo; and
- (3) Changing the effective date to 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. 2100, 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. 2100, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Ige, Nishihara, Kidani, Kahele and Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Ige).

Representatives Tsuji, Nishimoto, Hashem, Nakashima and Riviere.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 139-12 on H.B. No. 1953

The purpose of this measure is to improve access to emergency medical care for residents of Oahu by appropriating funds to:

- (1) Expand emergency medical services and ambulance services in communities in Leeward Oahu; and
- (2) Assist Wahiawa General Hospital in providing additional emergency room services that are required due to the closing of Hawaii Medical Center's two hospitals.

Your Committee on Conference notes that the appropriation of moneys in this measure is essential to address critical emergency medical service needs in the State.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provision appropriating funds as a grant to Wahiawa General Hospital to provide additional emergency room services;
- (2) Inserting the amount of \$1,000,000 into the appropriation to increase the on-call availability of emergency medical services and ambulance services;
- (3) Changing the effective date to July 1, 2012; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1953, 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. 1953, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Ige, Chun Oakland, Espero, Nishihara and Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Ige).

Representatives Yamane, Morikawa, Cabanilla, Jordan and Ching.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 140-12 on H.B. No. 246

The purpose of this measure is to support the Department of the Prosecuting Attorney of the City and County of Honolulu by appropriating unspecified amounts as grants-in-aid for the Career Criminal Prosecution Unit, prosecution in Drug Court, Hawaii's Opportunity Probation with Enforcement Program, and Victim Witness Assistance Program, including the hiring of necessary staff.

Your Committee on Conference has amended this measure by:

- (1) Inserting the following appropriation amounts:
 - (A) \$734,973 for the Career Criminal Prosecution Unit;
 - (B) \$121,057 for prosecution in Drug Court;
 - (C) \$86,888 for the Hawaii's Opportunity Probation with Enforcement Program; and
 - (D) \$502,965 for the Victim Witness Assistance Program; and
- (2) Changing its effective date to 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. 246, 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. 246, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Keith-Agaran, M. Lee, Ito and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 141-12 on H.B. No. 1755

The purpose and intent of this measure is to modify voter registration and related procedures by, among other things:

- (1) Authorizing the county clerk to accept voter registration applications electronically and establishing that the applicant's use of the electronic application to register will constitute consent for election officials to obtain confirmatory information;
- (2) Amending record keeping requirements affecting the maintenance of voters' names, affidavits of registration, and the use of tabulating cards, computer tapes, the register, and voter lists;
- (3) Deleting requirements that:
 - (A) The county clerk maintain segregated records for the Office of Hawaiian Affairs registered voters; and
 - (B) A person voting for the Board of Trustees of the Office of Hawaiian Affairs affirm that the person is Hawaiian;
- (4) Repealing the requirement that a list of registered voters in each precinct be posted at precinct polling places; and
- (5) Making an unspecified appropriation for fiscal year 2012-2013 from the general fund for the purpose of planning, designing, and implementing an online voter registration system.

Your Committee on Conference has amended this measure by appropriating \$500,000 from the general fund for fiscal year 2012-2013 for the planning, design, and implementation of an online voter registration system.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1755, 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. 1755, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 142-12 on H.B. No. 2251

The purpose of this measure is to ensure the efficiency and cost effectiveness of the elections process by requiring the county clerk of any county with a population of less than 160,000 to mail an absentee ballot for each primary, special primary, special, general, and special general election to all registered voters of any island of the county that is not the county seat of government.

Your Committee on Conference has amended this measure by:

- (1) Changing its application to counties with populations of less than 180,000; and
- (2) Making the use of mail-only elections discretionary.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2251, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2251, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 143-12 on H.B. No. 2883

The purpose of this measure is to require the Department of Land and Natural Resources to conduct a flood study for Makaha Valley and investigate all potential funding sources to finance the flood study and any improvements or repairs as recommended by the flood study. The measure also appropriates out of the general revenues of the State an unspecified amount for the flood study.

Your Committee on Conference has amended this measure by:

- (1) Changing the source of the appropriation for the flood study to the Special Land and Development Fund;
- (2) Appropriating \$500,000 for the study;
- (3) Changing the effective date to July 1, 2012; 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. 2883, 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. 2883, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Ige, Solomon, Kidani, Shimabukuro and Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Ige).

Representatives Chang, Har, Awana, Jordan and Riviere.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 144-12 on H.B. No. 2806

The purpose of this measure is to facilitate the preservation and protection of Hawaiian culture, native Hawaiian burial sites, and the State's environment. Specifically, the measure:

- (1) Establishes the Aha Moku Advisory Committee within the Department of Land and Natural Resources to advise the Chairperson of the Board of Land and Natural Resources;
- (2) Appropriates an unspecified sum for fiscal year 2012-2013 for the administrative costs related to carrying out the duties of the Aha Moku Advisory Committee; and
- (3) Establishes a reduced quorum requirement for island burial council meetings.

Your Committee on Conference has amended this measure by:

- (1) Deleting provisions relating to the reduced quorum requirement for island burial council meetings;
- (2) Authorizing the Aha Moku Advisory Committee executive director to hire an administrative or executive assistant to assist the executive director in accomplishing the purposes of the Aha Moku Advisory Committee;
- (3) Inserting a figure of \$76,500 as the appropriation for administrative costs related to carrying out the duties of the Aha Moku Advisory Committee; 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. 2806, 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. 2806, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Galuteria, Ige, Dela Cruz, Kidani, Hee, Kahele, Ryan and Slom.

Managers on the part of the Senate.

Ayes, 7. Noes, none. Excused, 1 (Ige).

Representatives Hanohano, Chang, Oshiro, Awana, Carroll, Har and Ward.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, 1 (Carroll).

Conf. Com. Rep. 145-12 on H.B. No. 2319

The purpose and intent of this measure is to streamline governmental operations relating to high technology and economic development.

Specifically, this measure:

- (1) Exempts grants made under the community based economic development program from the state procurement code;
- (2) Clarifies that moneys in the hydrogen investment capital special fund shall be expended by the Hawaii Strategic Development Corporation; and
- (3) Repeals the High Technology Innovation Corporation.

Upon further consideration, your Committee on Conference has amended this measure by deleting its content and replacing it with the general substance of H.B. No. 2319, H.D. 2.

As amended, this measure:

- (1) Establishes a venture accelerator funding program under the Hawaii Strategic Development Corporation to:
 - (A) Assist the development of technology businesses in the State, such as information technology, aerospace, science, renewable energy, engineering, and film and digital media production; and
 - (B) Integrate entrepreneurial support and capital investment to develop technology industries in Hawaii;
- (2) Appropriates \$2,000,000, as a grant pursuant to Chapter 42F, Hawaii Revised Statutes, for fiscal year 2012-2013 for the Hawaii Strategic Development Corporation to establish the venture accelerator funding program; and
- (3) Takes effect on July 1, 2012.

Your Committee on Conference finds that the State has a strong interest in diversifying its economy and promoting the growth of innovative technology industries in the State. The creation of a venture accelerator funding program under the Hawaii Strategic Development Corporation will provide a means to support emerging high technology businesses by providing advisors, mentors, and resources that will assist the commercial development of those businesses. The venture accelerator funding program will also assist businesses in attracting venture capital investment to promote commercial success and sustained growth. Your Committee on Conference finds that this measure will promote economic growth and job creation in Hawaii's high technology sectors and provide opportunities for Hawaii's talented entrepreneurs, scientists, and engineers.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2319, 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. 2319, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Kidani and Slom.

Managers on the part of the Senate.

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

Representatives McKelvey, Choy, Hashem, Kawakami, Nakashima and Marumoto.

Managers on the part of the House.

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

Conf. Com. Rep. 146-12 on H.B. No. 2873

The purpose and intent of this measure is to keep Hawaii competitive and attractive to space industry partners by improving the Pacific International Space Center for Exploration Systems' ("PISCES") ability to make timely and autonomous decisions and actions in the rapidly evolving aerospace sector.

Specifically, this measure:

- (1) Transfers PISCES from the University of Hawaii to the Department of Business, Economic Development, and Tourism; and

- (2) Authorizes the issuance of general obligation bonds and appropriates funds to construct the PISCES aerospace technology research and development park project.

Your Committee on Conference finds that PISCES drives economic growth in the State and promotes new, sustainable green industries along with associated jobs, workforce development, internships, and education programs in science, technology, engineering, and math. This measure will allow PISCES to maintain adequate flexibility to operate effectively within the fast-paced aerospace sector while continuing to work closely with the University of Hawaii. Finally, this measure will allow this State to boldly go where no other state has gone before.

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

- (1) Deleting all provisions relating to the issuance of general obligation bonds and the appropriation of revenues derived therefrom to construct the PISCES aerospace technology research and development park project because the general obligation bond issuance and appropriation for this project is contained in the executive branch's supplemental appropriations measure for fiscal year 2012-2013; and
- (2) Changing the amount of general revenues appropriated to operate the PISCES aerospace technology research and development park project from an unspecified amount to \$500,000.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2873, 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. 2873, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Ige, Tokuda, Fukunaga, Kidani and Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Ige).

Representatives McKelvey, Nishimoto, Oshiro, Choy, Nakashima, Tsuji and Marumoto.
Managers on the part of the House.
Ayes, 7. Noes, none. Excused, none.

Conf. Com. Rep. 147-12 on H.B. No. 1726

The purpose of this measure is to align the repeal dates of the Energy Systems Development Special Fund and the environmental response, energy, and food security tax by extending the repeal date of the Special Fund to 2015, along with the periodic evaluation and plan of action requirements for the Special Fund.

Your Committee on Conference has amended this measure by:

- (1) Deleting the preamble;
- (2) Changing the sunset date of Act 253, Session Laws of Hawaii 2007, to June 30, 2013; and
- (3) Changing the effective date to June 29, 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. 1726, 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. 1726, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Coffman, Kawakami and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 148-12 on H.B. No. 2302

The purpose of this measure is to improve the public housing inventory in the State by:

- (1) Authorizing the issuance of general obligation bonds for fiscal year 2012-2013 to fund the renovation of uninhabitable public housing units; and
- (2) Exempting capital improvement projects under this measure from the contest provisions of the Hawaii Public Procurement Code.

Upon consideration, your Committee on Conference has amended this measure by deleting its contents and inserting provisions that expedite the construction and improvement of public housing units and public infrastructure and address economic revitalization, by temporarily exempting from the state civil service, persons hired or contracted to perform repair, maintenance, or capital improvement projects work on vacant housing units under the jurisdiction of the Hawaii Public Housing Authority.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2302, 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. 2302, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Cabanilla, McKelvey, Yamashita, M. Lee, Ito and Pine.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. 149-12 on H.B. No. 2540

The purpose of this measure is to authorize the Department of Human Services to charge reasonable fees for the issuance and renewal of child care licenses and certificates of registration. This measure also establishes the child care licensing and registration special fund to pay for the costs incurred by the Department of Human Services in administering child care licensing and registration and to further the provision of quality child care services.

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. 2540, 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. 2540, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Kidani and Green.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Mizuno, Jordan, C. Lee, Morikawa and Pine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (C. Lee).

Conf. Com. Rep. 150-12 on H.B. No. 2448

The purpose of this measure is to establish a formula for calculating the amount to be contributed by the State towards a Medicaid recipient's attorney's fees and costs incurred in obtaining a judgment, settlement, or award, in lieu of recovering the full amount. Among other things, this measure:

- (1) Clarifies that a notice of lien sent by the Department of Human Services for reimbursement of Medicaid benefits shall be accompanied by an itemized list of payments made by the Department;
- (2) Caps the amount of the department's lien at one-third of the settlement, judgment, or award, after its contribution for attorney's fees and expenses;
- (3) Defines the term "medical institution"; and
- (4) Requires the Department of Human Services to provide a written notice of lien to the court when restitution is sought from a third person in a criminal proceeding.

Your Committee on Conference has amended this measure by:

- (1) Authorizing the Department of Human Services to develop fair and equitable reimbursement levels for nursing facility residents who are Medicaid recipients;
- (2) Authorizing the Department of Human Services to develop an equitable referral system for Medicaid clients transferring from hospitals to community-based care homes;
- (3) Changing the effective date to upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2448, 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. 2448, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 151-12 on H.B. No. 2415

The purpose of this measure is to develop a strategy to provide working individuals with disabilities with access to affordable health care.

Specifically, the measure:

- (1) Establishes a joint legislative task force to assist the Department of Human Services in developing and implementing a medicaid buy-in program for working individuals with disabilities; and
- (2) Requires the Department of Human Services to implement a medicaid buy-in program based upon the recommendations of the task force by July 1, 2014.

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement that the Department of Human Services implement a medicaid buy-in program based upon the recommendations of the task force by July 1, 2014;
- (2) Clarifying that the joint legislative task force shall explore the development and possible implementation of a medicaid buy-in program for working individuals with disabilities;
- (3) Specifying that the members of the joint legislative task force shall serve without compensation and shall receive no reimbursement for expenses; 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. 2415, 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. 2415, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Kidani, Green and Slom.

Managers on the part of the Senate.

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

Representatives Mizuno, Jordan, Yamane and Pine.

Managers on the part of the House.

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

Conf. Com. Rep. 152-12 on H.B. No. 2404

The purpose of this measure is to ensure public access to government while reducing government spending by authorizing State and county government agencies to post required public notices electronically or online, and requiring State and county boards to post public notices and related material for public agency meetings online. Among other things, this measure also does as follows:

- (1) Eliminates the requirement for boards to post hard-copy notices of public meetings with the Office of the Lieutenant Governor;
- (2) Requires boards in situations involving technical difficulties to post hard-copy notices with the Office of the Lieutenant Governor or the appropriate county clerk's office;
- (3) Allows boards to notify by mail or electronic mail those who specifically request notice of meetings; and
- (4) Appropriates unspecified amounts of monies for both the Office of Information Management and Technology to create and maintain a centralized website for the State and the Hawaii State Public Library System to provide public access to and print public information from the centralized website.

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

- (1) Providing a two-year window before requiring government agencies to post public notices only through electronic or online publication;
- (2) Requiring the State and counties to make reasonable efforts within the resources available to them to make their websites accessible to the disabled, elderly, and other individuals who require assistance;
- (3) Clarifying that meetings do not need to be canceled if the electronic notice that had been rejected by the electronic calendar was posted with the Office of the Lieutenant Governor or the respective county clerk;
- (4) Clarifying that where written materials were distributed in a state board meeting that requires disclosure under the State's freedom of information laws, those materials must be posted on the website of the board or, if none, on the website of the department within which the board is established;
- (5) Deleting language appropriating an unspecified amount to the Office of Information Management and Technology;
- (6) Appropriating \$284,200 for the Hawaii State Public Library System, and appropriating \$60,000 for fiscal year 2012-2013 to be expended by the Office of Information Practices to assist boards and commissions in meeting the new electronic posting requirements established under this measure;
- (7) Removing language establishing January 1, 2014, as the date the electronic or online publication of notices will be implemented and fully operational; 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. 2404, 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. 2404, H.D. 1, S.D. 2, C.D. 1.

Signed by the Senate Majority Leader and Chairs on behalf of the Committee.

Senators Fukunaga, Hee, Ige, Baker, English and Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Ige).

Representatives Keith-Agaran, Tokioka, Ito and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, 1 (Thielen). Excused, none.

Conf. Com. Rep. 153-12 on H.B. No. 304

The purpose of this bill is to appropriate funds for fiscal year 2012-2013 to various programs and organizations that provide essential education, public health, and public welfare services in the State.

Your Committee on Conference has amended this bill by:

- (1) Inserting monetary amounts as follows:
 - (A) \$325,000 as a grant to Catholic Charities Hawaii;
 - (B) \$50,000 as a grant to the Moiliili Community Center;
 - (C) \$60,000 as a grant to the Waikiki Community Center;
 - (D) \$151,391 as a grant to Child and Family Service - Kauai;
 - (E) \$160,389 as a grant to Child and Family Service - Oahu;
 - (F) \$137,000 as a grant to Child and Family Service - Maui;
 - (G) \$450,000 as a grant to Susannah Wesley Community Center;
 - (H) \$274,111 as a grant to Adult Friends for Youth;
 - (I) \$110,000 as a grant to Partners in Development Foundation;
 - (J) \$150,000 as a grant to The Children's Alliance of Hawaii, Inc.;
 - (K) \$204,628 as a grant to Domestic Violence Action Center;
 - (L) \$1,392,000 to provide grants to Volunteer Legal Services Hawaii, the Legal Aid Society of Hawaii, and the Hawaii Family Law Clinic;
 - (M) \$450,293 as a grant to Read Aloud America, Inc.; and
 - (N) \$169,592 as a grant to Read To Me International Foundation for reading programs for children of incarcerated parents;
- (2) Inserting additional appropriations as follows:
 - (A) \$50,000 as a grant to the Alzheimer's Association – Aloha Chapter;
 - (B) \$225,000 as a grant to Ballet Hawaii;
 - (C) \$125,000 as a grant to Best Buddies International;
 - (D) \$166,175 as a grant to The Chamber of Commerce of Hawaii;
 - (E) \$140,000 as a grant to the Coalition for a Drug-Free Hawaii;
 - (F) \$52,800 as a grant to Family Promise of Hawaii;
 - (G) \$50,000 as a grant to Gregory House Programs;
 - (H) \$400,000 as a grant to Hawaii 3R's;
 - (I) \$500,000 as a grant to Hawaii Meth Project;
 - (J) \$400,000 as a grant to Hawaii United Okinawa Association;
 - (K) \$468,000 as a grant to the Hawaii Theater Center;
 - (L) \$750,000 as a grant to Kalihi-Palama Health Center;
 - (M) \$400,000 as a grant to La'i Opua 2020;
 - (N) \$400,000 as a grant to Malama Learning Center;
 - (O) \$100,000 as a grant to Moanalua Gardens Foundation;

- (P) \$288,060 as a grant to ORI Anuenue Hale, Inc.;
 - (Q) \$500,000 as a grant to Pacific Renal Care Foundation;
 - (R) \$68,940 as a grant to Palama Settlement;
 - (S) \$200,000 as a grant to Parents And Children Together;
 - (T) \$150,000 as a grant to Surfing the Nations;
 - (U) \$1,750,000 a grant to Wahiawa General Hospital; and
 - (V) \$375,000 as a grant to Waiohuli Hawaiian Center, Inc.;
- (3) Deleting all other appropriations; 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. 304, 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. 304, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Chun Oakland and Kidani.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Oshiro, Yamane, Mizuno, Takumi and Ward.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 154-12 on S.B. No. 2116

The purpose of this measure is to facilitate the implementation of the recommendations of the Charter School Governance, Accountability, and Authority Task Force by:

- (1) Requiring the Board of Education to contract for an Implementation and Transition Coordinator (Coordinator) to assist with the implementation of S.B. No. 2115, Regular Session of 2012, which reorganizes the charter school governance structure; and
- (2) Making an unspecified appropriation to support the Coordinator position.

Your Committee on Conference finds that the Charter School Governance, Accountability, and Authority Task Force ("Task Force") was established pursuant to Act 130, Session Laws of Hawaii 2011, in response to questions and concerns raised by policy makers and advocates alike about the integrity of Hawaii's charter school governance structure and the overall strength of Hawaii's laws in establishing clear lines of authority to ensure accountability of the charter school system.

The Task Force concluded its work and issued its report and recommendations to the Legislature, which are included in S.B. No. 2115 (2012). This measure will provide the Department of Education and charter school stakeholders with the means to create a comprehensive transition framework to implement the recommendations of the Task Force to move Hawaii's charter schools toward greater student outcomes.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$500,000 to fund the Coordinator position;
- (2) Making this measure effective on July 1, 2012; and
- (3) Making a technical, nonsubstantive amendment 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. 2116, 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. 2116, 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 Belatti, Yamashita, Takumi and Johanson.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 155-12 on S.B. No. 2778

The purpose of this measure is to:

- (1) Establish a childhood obesity prevention task force to develop and recommend legislation related to the prevention of childhood obesity; and
- (2) Appropriate funds to study Hawaii-specific data and promote awareness and best practices relating to childhood obesity.

Your Committee on Conference finds that the period of early childhood is critical to an individual's health, educational success, and wellbeing throughout their lifespan.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$1;
- (2) Changing the appropriation source from the general fund to the Hawaii tobacco settlement special fund; and
- (3) Changing the effective date to 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 S.B. No. 2778, 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. 2778, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Managers on the part of the Senate.

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

Representatives Yamane, Morikawa, M. Lee, Mizuno and Ching.

Managers on the part of the House.

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

Conf. Com. Rep. 156-12 on S.B. No. 2424

The purpose of this measure is to facilitate the implementation of the professional employer organization law established by Act 129, Session Laws of Hawaii 2010. Among other things, this measure:

- (1) Establishes the professional employer organization special fund;
- (2) Gives additional powers and duties to the Director of Labor and Industrial Relations regarding the registration and regulation of professional employer organizations;
- (3) Amends bond level requirements for professional employer organizations;
- (4) Repeals chapter 373K, Hawaii Revised Statutes, but incorporates the general excise tax exemption into chapter 373L, Hawaii Revised Statutes; and
- (5) Appropriates funds to the Department of Labor and Industrial Relations.

Your Committee on Conference finds that Act 225, Session Laws of Hawaii 2007, established a new chapter in the Hawaii Revised Statutes on professional employment organizations. The main purpose of Act 225 was to provide a general excise tax exemption for these organizations. Your Committee on Conference further finds that Act 129, Session Laws of Hawaii 2010, established registration requirements for professional employer organizations in Hawaii. Although the registration requirements went into effect July 1, 2011, amendments to the existing statute are needed before the Department of Labor and Industrial Relations can fully implement the law.

Your Committee on Conference additionally finds that this measure eliminates duplicative provisions relating to professional employer organizations and facilitates the implementation of the professional employer organization law, as established by Act 129, Session Laws of Hawaii 2010.

Your Committee on Conference has amended this measure by:

- (1) Specifying an application fee of \$100;
- (2) Specifying the following biennial renewal fees based on the average annual count of covered employees:
 - (A) \$2,500 for 0 – 100 covered employees;
 - (B) \$3,000 for 101 – 250 covered employees;
 - (C) \$5,000 for 251 – 499 covered employees; and
 - (D) \$10,000 for 500 or more covered employees;
- (3) Specifying a restoration fee of \$500;
- (4) Clarifying that during the term of the agreement between a professional employer organization and its client company, the professional employer organization shall be deemed the employer for purposes of unemployment insurance, workers' compensation, temporary disability insurance, and prepaid health care coverage;
- (5) Clarifying when written notice of the relationship between the professional employer organization and the client company must be provided to each covered employee of the client company;
- (6) Requiring a professional employer organization to provide written notice to the Department of Labor and Industrial Relations of the relationship between the professional employer organization and the client company within five business days of both the initiation and termination of the relationship, and requiring the Department to keep the notice confidential;
- (7) Deleting the definition of "assurance organization" and corresponding provisions relating to assurance organizations acting on a professional employer organization's behalf for registration and bonding purposes;

- (8) Deleting the definition of “co-employment” and making corresponding clarifying amendments to the terms “covered employee” and “professional employer agreement”;
- (9) Clarifying the financial statements required as part of the registration information for professional employer organizations;
- (10) Clarifying that any bond posted shall name the Director of Labor and Industrial Relations as the obligee and may be cancelled by either the professional employer organization or the surety in specific circumstances;
- (11) Clarifying the purpose of the bond, including fulfilling the obligations of the professional employer organization to the State, client companies, and covered employees who may suffer loss in specific circumstances;
- (12) Clarifying that the Department of Labor and Industrial Relations may immediately apply to the court to enjoin a professional employer organization that fails to have a current bond in effect and does not cease doing business;
- (13) Clarifying that an action on the bond may be brought for claims of loss resulting from noncompliance and failure to make payments by a professional employer organization;
- (14) Retaining the authorization for the Director of Labor and Industrial Relations to establish .5 full-time equivalent permanent additional positions, including a disability compensation enforcement specialist IV and office assistant IV, but deleting authorization for the establishment of an auditor IV position;
- (15) Inserting an appropriation of \$177,500 out of the general fund, to be deposited to the credit of the professional employer organization special fund;
- (16) Specifying an appropriation of \$177,500 out of the professional employer organization special fund, and itemizing the purposes of the appropriation;
- (17) Inserting an effective date of upon approval; provided that the appropriation sections of this measure shall take effect on July 1, 2012; and
- (18) 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. 2424, 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. 2424, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Rhoads, McKelvey, Herkes, Ito, Yamashita and Johanson.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. 157-12 on S.B. No. 2780

The purpose of this measure is to:

- (1) Identify and transfer money from designated sources into the shared services technology special fund for the State’s information technology transformation initiative; and
- (2) Require state departments to offer to sell or donate office equipment to schools, nonprofits, or salvage businesses before disposal.

Your Committee on Conference finds that the initiative to modernize and transform the State’s technology infrastructure, systems, processes, and procedures is well underway, and the first phase of the modernization initiative was completed with the publishing of the “Baseline of Information Management and Technology and Comprehensive View of State Services” report in September 2011. The findings and recommendations in this report provide the basis for the strategic direction that the State needs to take going forward, and the development of the statewide information technology strategic plan, which will include a business transformation strategy, is anticipated to be delivered by the Chief Information Officer in July 2012.

Your Committee on Conference has amended this measure by deleting its contents and replacing them with the language in the S.D. 1 version, which:

- (1) Contains an extensive findings and purpose section regarding the business and technology transformation initiative to prepare the State for the larger transformation activities that will be defined in the forthcoming information technology strategic plan;
- (2) Appropriates monies for the information technology transformation initiative in fiscal year 2012-2013, and authorizes issuance of general obligation bonds for planning, design, and requirements necessary to develop and implement an integrated financial and human resource management system for the State; and
- (3) Inserts an effective date of July 1, 2012.

Your Committee on Conference has further amended this measure by:

- (1) Deleting the appropriation and general obligation bond authorization;

- (2) Beginning July 30, 2012, requiring the State Procurement Office and the Office of Information Management and Technology to submit monthly reports to the Legislature on the status of information technology procurements for authorized projects undertaken by the Office of Information Management and Technology to implement the State's information technology strategic plan;
- (3) Authorizing, where appropriate, the State Procurement Officer to approve exemptions for individual procurements that facilitate the immediate deployment of demonstration technology projects authorized in the Supplemental Appropriations Act of 2012 under information and communication services (AGS 131) that will be completed by June 30, 2013; and
- (4) Requiring the Office of Information Management and Technology to submit a report on the number of information technology procurements completed on an expedited basis, the results achieved in each technology project, as well as recommendations on the feasibility of establishing a new category for information technology procurements within the State's procurement laws.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2780, 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. 2780, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 158-12 on S.B. No. 2939

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$80,000,000 to St. Francis Healthcare System of Hawaii to finance the construction, improvement, and equipment of its healthcare facilities.

Your Committee on Conference finds that aiding the efforts of St. Francis Healthcare System of Hawaii to improve its facilities and services is in the interest of the health, safety, and wellbeing of the residents of the State.

Your Committee on Conference has amended this measure by:

- (1) Restricting the uses for which the issuance of special purpose revenue bonds is authorized to financing the construction, improvement, and equipment of the facilities formerly known as Hawaii Medical Center East that are devoted solely to assisted living services, hospice care, adult day care, or other outpatient services, and not to improving or constructing facilities for long-term care or skilled nursing facilities; and
- (2) Inserting an effective date of 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 S.B. No. 2939, 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. 2939, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Morikawa, Aquino, Cabanilla, Cullen, Har and Ching.
Managers on the part of the House.
Ayes, 7. Noes, none. Excused, none.

Conf. Com. Rep. 159-12 on S.B. No. 2827

The purpose of this measure is to add to the uses of the monies in the trauma system special fund the costs to staff, operate, and continue the services of the injury prevention program.

Your Committee on Conference finds that the injury prevention program is an essential facet of the State's comprehensive trauma system and that the prevention program is the most cost-effective method to reduce the costs associated with injury care. Your Committee on Conference also finds that the injury prevention program is largely funded through federal monies that have been considerably reduced. With more state funding, the injury prevention program will be allowed increased security and be better able to fulfill its purposes to benefit all residents of the State.

Your Committee on Conference has amended this measure by changing the effective date to 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 S.B. No. 2827, 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. 2827, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Representatives Yamane, Morikawa, M. Lee and Ching.
Managers on the part of the House.

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

Conf. Com. Rep. 160-12 on S.B. No. 2536

The purpose of this measure is to:

- (1) Establish a clean and sober home and halfway house task force; and
- (2) Appropriate funds to meet costs and expenditures for the clean and sober home and halfway house task force and related reports and activities required by the Legislature.

Your Committee on Conference finds that the needs and concerns of the communities in which clean and sober homes and halfway homes are established need to be tempered with the needs of individuals requiring the support of such facilities.

Your Committee on Conference has amended this measure by:

- (1) Adding the establishment of a pilot clean and sober home and halfway house in a county with a population over 900,000 to the task force's responsibilities;
- (2) Deleting the appropriation; 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. 2536, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2536, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Ige, Espero, Chun Oakland and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Ige).

Representatives Yamane, Mizuno, Morikawa, Jordan and Ching.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 161-12 on S.B. No. 2435

The purpose of this measure is to:

- (1) Require the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services to develop a program that charges and collects a reasonable fee to enable individuals who are not blind, visually-impaired, or print-disabled to access newspapers, magazines, and television listings twenty-four hours a day, seven days a week, by means of a touch-tone telephone, the Internet, or by downloading the electronic information to a digital talking book player on MP3 playing device; and
- (2) Appropriate funds for the Vocational Rehabilitation and Services for the Blind Division to maintain a telephone-based audible information access service.

Your Committee on Conference finds that it is essential to provide access to the Newslines service to print-disabled clients, including those who are blind, visually impaired, dyslexic, or have learning disabilities.

Your Committee on Conference also finds that access to the Newslines service is already available for persons on Oahu. This measure provides funds to the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services to maintain a telephone-based audible information access service on the neighbor islands.

Your Committee on Conference has amended this measure by:

- (1) Deleting the language that required the Vocational Rehabilitation and Services for the Blind Division to develop a program for access to newspapers, or print-disabled to access newspapers, magazines, and television listings by certain individuals;
- (2) Adding a proviso to the appropriation that the Vocational Rehabilitation and Services for the Blind Division's contract for services be with a Hawaii affiliate of a national organization that meets certain requirements;
- (3) Inserting an appropriation amount of \$80,000; and
- (4) Changing the effective date from July 1, 2030, to 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 S.B. No. 2435, 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. 2435, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Representatives Mizuno, Yamane, Jordan, Morikawa and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 162-12 on S.B. No. 2779

The purpose of this measure is to:

- (1) Authorize the establishment of a statewide aging and disability resource center with sites in each county to streamline access to long-term supports and services for older adults, persons with disabilities, and family caregivers; and
- (2) Make an appropriation to the Executive Office on Aging to administer and establish a statewide aging and disability resource center with sites in each county.

Your Committee on Conference finds that the Older Americans Act was amended to include the establishment of aging and disability resource centers under the direction of each state agency on aging. To meet this requirement, the Executive Office on Aging, the four county Area Agencies on Aging, and the Home and Community-based Strategies, Inc., engaged in a two-year planning process to develop a five-year systems change to implement the plan. This measure authorizes the establishment of and appropriates funds for aging and disability resource center sites in each county to streamline access to long-term supports and services for older adults, persons with disabilities, and family caregivers.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$1,400,000; and
- (2) Changing the effective date from July 1, 2030, to 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 S.B. No. 2779, 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. 2779, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Ihara, Ryan and Slom.

Managers on the part of the Senate.

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

Representatives Mizuno, Yamane, Jordan, M. Lee, Morikawa and Pine.

Managers on the part of the House.

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

Conf. Com. Rep. 163-12 on S.B. No. 2261

The purpose of this bill is to:

- (1) Establish a permanent weed and seed program within the Department of Labor and Industrial Relations to continue the program's success; and
- (2) Appropriate funds to maintain current operations of the weed and seed program and expand the weed and seed program into other areas of the State.

Your Committee on Conference finds that the weed and seed program works with local law enforcement to prevent, control, and reduce violent crime, drug abuse, and gang activity in targeted neighborhoods by "weeding" out the criminal element in the community. Community policing involves police officers working closely with community residents to develop solutions to violent and drug-related crimes. "Seeding" the community involves collaboration among various human services organizations to implement prevention, intervention treatment, and neighborhood revitalization projects, programs, and activities. Your Committee on Conference further finds that the weed and seed program's success warrants the continued operation of weed and seed and envisions the expansion of the program to other communities in the future.

Your Committee on Conference has amended this measure by:

- (1) Deleting the establishment of the weed and seed program in statute;
- (2) Clarifying that the appropriation for the weed and seed program is to maintain the program in areas currently designated for the program;
- (3) Inserting an appropriation amount of \$336,000 for the weed and seed program;
- (4) Changing the effective date to July 1, 2012; 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. 2261, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2261, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Ige, Hee, Kidani and Slom.

Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Ige).

Representatives Aquino, Rhoads, Har, Cullen, Cabanilla and Fontaine.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. 164-12 on S.B. No. 112

The purpose of this measure is to appropriate funds for the application for a spaceport license from the Federal Aviation Administration.

Your Committee on Conference finds 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. Space tourism is a potential billion dollar global industry that could significantly increase state revenues, provide new aerospace jobs, and rejuvenate economic development in the Kalaheo area. The Federal Aviation Administration is expected to issue a limited number of spaceport licenses, your Committee on Conference finds that this measure is crucial to position Hawaii for that economic opportunity.

Funding under this measure will enable the Department of Business, Economic Development, and Tourism to conduct the environmental and safety assessment studies required for this license to certify that space plane operations can be conducted safely in Hawaii. Similar studies at airports nationwide have universally resulted in findings of no significant impact.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$250,000; provided that no funds shall be made available unless the federal government provides a dollar-for-dollar match of funds for the purpose for which this sum is appropriated;
- (2) Changing the deadline for the report from the Department of Business, Economic Development, and Tourism on the status of the application to twenty days prior to the convening of the Regular Session of 2013; and
- (3) Changing the effective date to 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 S.B. No. 112, 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. 112, S.D. 1, H.D. 1, C.D. 1.

Signed by the House Majority Leader and Chairs on behalf of the Committee.

Senators Espero, Ige, Fukunaga, Kim, Kidani and Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Ige).

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

Conf. Com. Rep. 165-12 on S.B. No. 2776

The purpose of this measure is to implement the recommendations of the justice reinvestment working group. This measure is a recommendation of the Council of State Governments Justice Center, which provided intensive technical assistance to Hawaii to conduct a comprehensive analysis of the State's criminal justice system and to help state leaders develop policy options that could increase public safety while saving taxpayer dollars. The Justice Center utilized a data-driven approach to identify inefficiencies, develop cost-effective policy options, and develop a plan for a reinvestment of savings that reduces recidivism and increases public safety.

Your Committee on Conference finds that this measure would contribute to increasing public safety by, among other things:

- (1) Addressing the inefficiencies that tie up resources in ways that do not reduce crime and reinvesting in ways that do;
- (2) Focusing resources on supervision, incarceration, and treatment of those individuals who are most likely to benefit from those investments in terms of reducing their likelihood of committing another crime;
- (3) Increasing accountability in Hawaii's criminal justice system by mandating a period of supervision and increasing the amount of victim restitution collected; and
- (4) Increasing the effectiveness and efficiency of the Hawaii Paroling Authority.

The intent of your Committee on Conference is to realize cost savings and reinvest those savings back into the corrections system to reduce recidivism, decrease the prison population, and strengthen public safety.

Your Committee on Conference has amended this measure by:

- (1) Requiring that the minimum term of imprisonment shall be as determined by the court or the paroling authority, as the case may be;
- (2) Requiring the Department of Public Safety to select a research-based risk assessment tool and validate the accuracy of the risk assessment tool at least every five years in consultation with the Hawaii Paroling Authority;
- (3) Specifying that parole shall be granted upon completion of the minimum term to a person who is assessed as low risk for reoffending unless the person, among other things, is found to have:

- (A) Committed misconduct while in prison that is equivalent to a misdemeanor or felony crime within thirty-six months of the expiration of the minimum term of imprisonment; or
- (B) An extensive criminal history record that is indicative of a likelihood of future criminal behavior in spite of the finding by the risk assessment;
- (4) Deleting the requirement that a person successfully complete a sex offender treatment program if the person is incarcerated for a sexual offense or child abuse, in order to be granted parole upon completion of the minimum term or imprisonment;
- (5) Deleting the language that required supervised release on parole prior to the maximum term of imprisonment;
- (6) Deleting part V, which appropriated funds for various positions;
- (7) Changing the effective date to July 1, 2012; provided that:
 - (A) The amendments made to section 353-10, Hawaii Revised Statutes, shall take effect on January 1, 2013, and shall be repealed on July 1, 2018;
 - (B) The amendments made to section 353-66(e), Hawaii Revised Statutes, shall take effect on July 1, 2012, for any individual on parole supervision on or after July 1, 2012, and shall be repealed on July 1, 2018;
 - (C) The amendments made to section 706-670(1), Hawaii Revised Statutes, shall take effect on July 1, 2012, and shall be applicable to individuals committing an offense on or after that date; and shall be repealed on July 1, 2018; and
 - (D) The amendments made to sections 353-22.6 and 353-69, Hawaii Revised Statutes, shall be repealed on July 1, 2018; and
- (8) Making technical, nonsubstantive amendments for the purpose of clarity and consistency.

Your Committee on Conference notes that it considered changing the period of confinement for retaken paroled prisoners for violating certain conditions of parole to the shorter of the remaining unserved term or no more than twelve months, rather than six months, but decided against it in the best interest of the rehabilitation of the person.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2776, 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. 2776, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Ige, Hee, Kidani, Ryan and Slom.

Managers on the part of the Senate.

Ayes, 5, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Ige).

Representatives Aquino, Keith-Agaran, Oshiro, Cullen, Ito and Fontaine.

Managers on the part of the House.

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

Conf. Com. Rep. 166-12 on S.B. No. 2320

The purpose of this measure is to build a statewide system of support for Hawaii's older adults and their family caregivers by:

- (1) Codifying the authorization for the establishment of the kupuna care program;
- (2) Appropriating funds to the health aging partnership program of the Department of Health's Executive Office on Aging;
- (3) Appropriating funds for grants to Catholic Charities Hawaii, Moiliili Community Center, and the Waikiki Community Center to support senior centers; and
- (4) Appropriating funds for a grant to the Alzheimer's Association, Aloha Chapter, to, among other things, establish a wanderer's registration service.

Your Committee on Conference finds that the growing elderly population in Hawaii requires a significant amount of assistance, which the elderly receive through programs and services such as kupuna care, the healthy aging program, and senior centers. These programs and facilities assist older persons in leading independent, meaningful, and dignified lives in their own homes and communities for as long as possible. Your Committee on Conference also finds that the elder registration services will allow direct access to wanderer and caregiver information and emergency contact information. This measure will provide Hawaii's kupuna with the services and supports they need, including services that are person-centered and consumer-directed, to age with independence and grace.

Your Committee on Conference has therefore amended this measure by:

- (1) Deleting language that requires kupuna care program services be person-centered and consumer-directed;
- (2) Inserting an appropriation amount of \$4,200,000 for the kupuna care program;
- (3) Inserting an appropriation amount of \$426,772 for the healthy aging partnership program;
- (4) Inserting an appropriation amount of \$285,000 for senior centers, to be allocated as follows:
 - (A) \$175,000 for Catholic Charities Hawaii for the Lanakila Multi-Purpose Senior Center;
 - (B) \$50,000 for the Moiliili Community Center for the Moiliili Senior Center; and

- (C) \$60,000 for the Waikiki Community Center;
- (5) Inserting an appropriation amount of \$50,000 for the Alzheimer's Association, Aloha Chapter, to, among other things, establish the wanderer's registration service;
 - (6) Deleting language that directed the Alzheimer's Association, Aloha Chapter, to use appropriated funds to issue customized updates and information through social media to provide alerts to the community and assist with search and rescue efforts; and
 - (7) Changing the effective date from July 1, 2030, to 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 S.B. No. 2320, 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. 2320, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Mizuno, Oshiro, Jordan, M. Lee, Morikawa and Ching.
Managers on the part of the House.
Ayes, 7. Noes, none. Excused, none.

Conf. Com. Rep. 167-12 on S.B. No. 490

The purpose of this measure is to:

- (1) Increase the maximum allocation of transient accommodations tax revenue to the tourism special fund from \$69,000,000 to an unspecified amount until June 30, 2015; and
- (2) Require an unspecified amount of monies in the tourism special fund to be expended for initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii.

Your Committee on Conference finds that the federal government's initiatives to make it easier for international travelers to visit the United States through improved visa processing and visa waivers will be highly beneficial to Hawaii's tourism economy and this measure will allow further development and implementation of programs to take advantage of the expanded visa programs and international travel opportunities, particularly from Asia.

Your Committee on Conference has amended this measure by:

- (1) Inserting an amount of \$71,000,000 as the maximum allocation of transient accommodations tax revenue to the tourism special fund until June 30, 2015;
- (2) Inserting an amount of \$2,000,000 of tourism special fund monies to be expended for initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii until June 30, 2015; and
- (3) Inserting an effective date of 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 S.B. No. 490, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 490, S.D. 3, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Brower, Awana, Oshiro, Tokioka and Marumoto.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 168-12 on S.B. No. 2220

The purpose of this measure is to improve public safety by providing a mechanism for self-sufficiency for the Boiler and Elevator Inspection Branch of the Department of Labor and Industrial Relations. Specifically, this measure:

- (1) Establishes fee schedules for inspections, permits, and examinations of boiler and pressure systems, elevator and kindred equipment, and amusement rides;
- (2) Establishes the boiler and elevator special fund into which will be deposited fees from inspections, permits, and examinations of boiler and pressure systems, elevator and kindred equipment, and amusement rides;
- (3) Authorizes the Director of Labor and Industrial Relations to establish ten additional permanent positions in the Boiler and Elevator Inspection Branch;
- (4) Requires the Department of Labor and Industrial Relations to submit an annual report to the Legislature prior to each regular session, starting with the 2013 Regular Session, on:

- (A) The status of the elevator and boiler inspection backlog;
 - (B) The number of inspections completed for the year; and
 - (C) The effect that the increase in fees and the establishment of the boiler and elevator special fund have had on the elevator and boiler inspection backlog;
- (5) Appropriates an unspecified amount from the general fund for start up funds to be deposited into the boiler and elevator special fund; provided that the general fund is reimbursed within five years of the effective date of this measure; and
- (6) Appropriates an unspecified amount out of the boiler and elevator special fund for the purposes specified in this measure.

Your Committee on Conference finds that the Boiler and Elevator Inspection Branch operates entirely on general funds, and permit and inspection fees have not changed since 1998. Despite process improvements, seventy-five percent of elevators and fifty percent of boilers are operating without a current permit. Furthermore, the branch has a backlog in performing critical load tests on elevators, internal inspections of escalators, and inspections of amusement rides. This measure provides a mechanism for self-sufficiency to enable the branch to hire and retain qualified personnel and carry out inspection and permitting functions related to public safety.

Your Committee on Conference has amended this measure by:

- (1) Allowing any appropriations from the Legislature to be deposited into the boiler and elevator special fund;
- (2) Allowing the expenditure of monies in the boiler and elevator special fund to reimburse the general fund for start-up funds;
- (3) Requiring the Director of Labor and Industrial Relations to reimburse the general fund, no later than five years from the date the special fund was established, for any initial general revenue appropriations deposited into the special fund;
- (4) Clarifying that all fees received by the Department of Labor and Industrial Relations pursuant to the fee schedules established in this measure shall be paid into the boiler and elevator special fund;
- (5) Clarifying language to specify that the inspection fee for a power boiler with manholes with exactly 10,000 square feet of heating surface shall be \$260;
- (6) Clarifying that any civil penalties owed under chapter 397, Hawaii Revised Statutes, shall be paid to the Department of Labor and Industrial Relations and deposited into the general fund;
- (7) Deleting language that authorized the Director of Labor and Industrial Relations to establish ten additional permanent positions in the Boiler and Elevator Inspection Branch;
- (8) Deleting language that required the Department of Labor and Industrial Relations to submit an annual report to the Legislature on the status of the elevator and boiler inspection backlog, the number of inspections completed for the year, and the effect that the increase in fees and the establishment of the boiler and elevator special fund have had on the elevator and boiler inspection backlog;
- (9) Inserting the sum of \$1,000,000 to be appropriated out of the general fund for fiscal year 2012-2013, for start up funds to be deposited to the credit of the boiler and elevator special fund;
- (10) Deleting language that appropriates an unspecified amount out of the boiler and elevator special fund for fiscal year 2012-2013, to be used for the purposes of this measure;
- (11) Changing the effective date to July 1, 2012; 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. 2220, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2220, S.D. 1, H.D. 2, C.D. 1.

Signed by the House Majority Leader and 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 Rhoads, McKelvey, Yamashita, Cabanilla, Ichiyama and Fontaine.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. 169-12 on S.B. No. 2695

The purpose of this measure is to:

- (1) Require the Department of Agriculture to collaborate with other institutions to implement a livestock feed feasibility pilot project; and
- (2) Make an appropriation in an unspecified amount out of the general fund to the Department of Agriculture for the livestock feed feasibility pilot project.

Your Committee on Conference finds that the rising cost of livestock feed has a significant impact on production costs for local protein producers. This measure would establish a livestock feed feasibility pilot project to help address the rising cost of feed and explore ways to increase the sustainability of our local protein sources. In addition, a portion of the funds appropriated in this measure

shall be used to serve as matching funds for a federal construction grant awarded to build a pilot-scale feed mill to assess the operational feasibility of a feed mill in the State.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$250,000 from the general fund for the livestock feed feasibility pilot project;
- (2) Removing the requirement that the appropriation from the general fund be matched dollar-for-dollar by an appropriation from the agricultural development and food security special fund;
- (3) Making an additional appropriation in the amount of \$250,000 from the general fund to reimburse qualified producers of milk, pork, eggs, poultry, and beef, for the cost of feed for beef cattle, dairy cows or goats, hogs, and poultry up to the lesser of \$200,000 or ten percent of feed costs;
- (4) Making this measure effective on July 1, 2012; 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. 2695, 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. 2695, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 170-12 on H.B. No. 1968

The purpose of this bill is to protect public safety by appropriating an unspecified sum out of the Reduced Ignition Propensity Cigarette Program Special Fund for a full-time administrator, a full-time assistant, and other costs to implement the reduced ignition propensity cigarette certification program.

Your Committee on Conference has amended this bill by appropriating \$400,000 for the purpose of funding one full-time administrator, one full-time assistant, and other costs.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1968, 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. 1968, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ige, Espero, Green and Taniguchi.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Ige).

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

Conf. Com. Rep. 171-12 on H.B. No. 2226

The purpose of this measure is codify the operations of and establish a permanent source of funding for the Statewide Automated Victim Information and Notification System, which provides victims of crime and concerned individuals with current and accurate information on the status of specific offenders and criminal proceedings.

Your Committee on Conference has amended this measure by:

- (1) Amending the definition of "offender" to include all adult offenders in the custody of the Department of Public Safety or the Hawaii Paroling Authority;
- (2) Adding an expenditure ceiling of \$600,000 per fiscal year to the Automated Victim Information and Notification System Special Fund;
- (3) Specifying that no federal funds shall be transferred or deposited into the Automated Victim Information and Notification System Special Fund;
- (4) Specifying that the members of the Automated Victim Information and Notification System Governance Committee:
 - (A) Shall be appointed by the Director of Public Safety from a list submitted by the Governance Committee; provided that the list for appointment of initial members shall be provided by the body currently serving as the Governance Committee under a federal grant establishing the victim notification system;
 - (B) Shall serve no more than two consecutive four-year terms subject to specified conditions for length of term, filling vacancies, and removal or suspension; and

- (C) Shall be exempt from civil or criminal liability for good-faith actions undertaken within the scope of their official duty and without gross negligence or misconduct;
- (5) Specifying that the operations of the Automated Victim Information and Notification System shall continue to operate under its current funding structure, including certain federal funds, until the Automated Victim Information and Notification System Special Fund contains sufficient moneys to support its operations;
- (6) Specifying an appropriation amount of \$250,000 from the Automated Victim Information and Notification System Special Fund, which shall be made available upon the accumulation of sufficient funds to carry out operations of the Automated Victim Information and Notification System; and
- (7) Inserting an effective date of 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. 2226, 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. 2226, 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. Noes, none. Excused, 1 (Ige).

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

Conf. Com. Rep. 172-12 on H.B. No. 2599

The purpose of this measure is to:

- (1) Require each reentry intake service center for adults to provide:
 - (A) Pretrial assessment on adult offenders that are consented to by the defendant or that are ordered by the court, instead of preparing presentence assessments; and
 - (B) Continuing supervision and control of persons placed on pretrial supervision by the court and persons ordered by the Director of Public Safety;
- (2) Amend Act 24, Special Session Laws of Hawaii (SSLH) 2009, to include:
 - (A) Requiring the Reentry Commission to ensure that the Comprehensive Offender Reentry System under Chapter 353H, Hawaii Revised Statutes, is implemented as soon as practicable to provide programs and services resulting in the release of inmates onto parole when the maximum terms of the inmates have been served;
 - (B) Changing the composition of the Reentry Commission; and
 - (C) Repealing the Reentry Commission on December 1, 2016; and
- (3) Specify that the Reentry Commission members appointed pursuant to Act 24, SSLH 2009, shall cease to be members of the Commission on June 30, 2012, and beginning July 1, 2012, new members to the Commission shall be selected as set forth under this measure.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provisions in this measure with respect to the amendments to Act 24, SSLH 2009;
- (2) Deleting the provision regarding the repeal of the existing Reentry Commission members, and the selection of the new Commission members specified under this measure;
- (3) Changing its effective date to July 1, 2012; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2599, 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. 2599, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Ige, Hee, Ihara, Ryan and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Ige, Ihara).

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

Conf. Com. Rep. 173-12 on S.B. No. 2545

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

- (1) Establish the Executive Office on Early Learning;
- (2) Establish the Early Learning Advisory Board and repeal the Early Learning Council;
- (3) Establish the Pre-Plus Program within the Executive Office on Early Learning;
- (4) Require students to be at least five years old by July 31 of the school year, beginning with the 2014-2015 school year, in order to attend a public school kindergarten;
- (5) Require the Executive Office on Early Learning to report to the Legislature prior to the Regular Session of 2013 on the status of an implementation plan for the development of the Keiki First Steps program; and
- (6) Appropriate an unspecified amount to establish the Executive Office on Early Learning.

Your Committee on Conference finds that early experiences lay the groundwork for a child's lifelong learning and behavior. Your Committee on Conference further finds that high quality early learning programs that are affordable and accessible for all children are critically important to ensure the success of Hawaii's children. Establishing an Executive Office on Early Learning will help the State meet its goal of providing a viable early learning system for the keiki of Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Temporarily placing the Executive Office on Early Learning within the Office of the Governor until June 30, 2015, after which the Executive Office on Early Learning shall be permanently established within the Department of Education;
- (2) Removing the requirement that the Director of the Executive Office on Early Learning be subject to the advice and consent of the Senate;
- (3) Removing the requirement that the staff of the Executive Office on Early Learning be hired pursuant to chapter 76, Hawaii Revised Statutes;
- (4) Inserting language from the S.D. 2 version of this measure to require that the members serving on the Early Learning Council on the effective date of this measure shall serve as the initial members of the Early Learning Advisory Board and shall continue to serve as members of the Early Learning Advisory Board until their terms expire;
- (5) Inserting an appropriation amount of \$300,000 to establish the Executive Office on Early Learning; and
- (6) Making this measure effective 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 S.B. No. 2545, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2545, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Mizuno, Jordan, Belatti and Johanson.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 174-12 on S.B. No. 2933

The purpose of this measure is to improve ocean safety by:

- (1) Requiring the Department of Land and Natural Resources (DLNR) to adopt rules imposing stricter regulations for the safety of ocean users and report to the Legislature on the status of rulemaking and other safety measures;
- (2) Appropriating funds for swim zone buoys at Kamaole beach; and
- (3) Establishing the West Maui Ocean Recreation Management Area Advisory Committee (Advisory Committee) comprised of users of the ocean to work with DLNR on issues relating to the area, particularly the waters of Kaanapali.

Your Committee on Conference finds that the increased recreational and commercial activities in Hawaii's nearshore waters have led to safety concerns, especially on the island of Maui. In 2011 there were at least four reported accidents involving swimmers and divers being struck by boats. This measure will ensure greater ocean safety in highly populated areas of the State.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that DLNR is required to install the eight swim zone buoys at the coordinates indicated in this measure;
- (2) Inserting an appropriation amount of \$20,000 for the installation of swim zone buoys;
- (3) Shortening the deadline by which DLNR shall establish the Advisory Committee to September 1, 2012;
- (4) Specifying that the boating enthusiast member of the Advisory Committee be a commercial boating enthusiast;
- (5) Replacing the canoeing enthusiast member of the Advisory Committee with a fishing enthusiast;
- (6) Exempting the members of the Advisory Committee from the state code of conduct, chapter 84, Hawaii Revised Statutes;

- (7) Terminating the Advisory Committee on June 30, 2015;
- (8) Changing the effective date to July 1, 2012; and
- (9) 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. 2933, 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. 2933, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Ige, Solomon, Kidani, Baker and Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Ige).

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

Conf. Com. Rep. 175-12 on S.B. No. 2344

The purpose of this measure is to appropriate funds for operational expenses relating to the Hawaii Health Authority.

Your Committee on Conference finds that it is the goal of the Hawaii Health Authority to institute a universal health care system in the State, and consequently, the lack of funding that significantly hampers the Authority's efforts needs to be swiftly addressed.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$100,000; and
- (2) Changing the effective date to 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 S.B. No. 2344, 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. 2344, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Ige, Chun Oakland, Kidani and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Ige).

Representatives Yamane, Morikawa, M. Lee and Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 176-12 on S.B. No. 2947

The purpose of this measure is to:

- (1) Establish monetary awards for whistleblowers for certain actions that may result in a Department of Taxation administrative or judicial action;
- (2) Authorize the Director of Taxation to appoint an administrative appeals officer;
- (3) Prohibit certain penalties from being added to tax underpayments on which certain other penalties are already imposed; and
- (4) Require all advertisements and solicitations for transient accommodations to display the registration identification number or the website address containing the registration identification number of the operator or plan manager.

Your Committee on Conference finds that several of the provisions in this measure have been incorporated in other measures. Your Committee on Conference has amended this measure accordingly, by deleting the provisions that:

- (1) Establish monetary awards for whistleblowers;
- (2) Prohibit certain penalties from being added to tax underpayments on which certain other penalties are already imposed; and
- (3) Require all advertisements and solicitations for transient accommodations to display the registration identification number or the website address containing the registration identification number of the operator or plan manager.

Your Committee on Conference has further amended this measure by:

- (1) Inserting language to amend section 231-3.4, Hawaii Revised Statutes, to require the Department of Taxation to submit the reports listed in section 231-3.4(a)(3), Hawaii Revised Statutes, to the Legislature annually and to submit by December 31, 2012, a report to the Legislature on the resources and information needed to complete the reports, identification of the best means of providing information in an electronic format; and recommendations for additional information that may be required for inclusion in the reports as the Department upgrades its tax computer systems and associated enterprise resource planning implementation;
- (2) Making the exploration and implementation by the Department of Taxation of all reasonable methods of covering the costs of distribution of the reports required in section 231-3.4, Hawaii Revised Statutes, discretionary rather than mandatory;

- (3) Appropriating \$104,505 for additional resources and staffing support for the Department of Taxation to complete the reports required under section 231-3.4, Hawaii Revised Statutes; and
- (4) Inserting an effective date of 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 S.B. No. 2947, 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. 2947, S.D. 2, H.D. 2, C.D. 1.

Signed by the House Majority Leader and Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 177-12 on S.B. No. 2678

The purpose of this measure is to:

- (1) Require the Department of Land and Natural Resources to establish a seven-member Honouliuli park site project advisory group to develop recommendations to leverage funding for an educational resource center at the Honouliuli site;
- (2) Require the advisory group to submit a report to the Legislature prior to the Regular Session of 2013 on its progress and the status of designating the site as part of the U.S. National Park Service; and
- (3) Appropriate funds from the Hawaii historic preservation special fund for fiscal year 2012-2013 to fund the advisory group established pursuant to this Act.

Your Committee on Conference finds that the proposed measure would add state funding to leverage federal funds and local efforts that have been underway for several years to evaluate and preserve the historic sites and stories of Japanese-Americans who were interned during World War II. These efforts include a feasibility study by the National Park Service to evaluate alternatives and preferred actions for preserving Honouliuli and related sites across the State. Your Committee on Conference further finds that in 2009, United States Senators Daniel K. Inouye and Daniel K. Akaka introduced a bill to determine if World War II internment campsites in Hawaii may be eligible for listing as "units of the National Park System."

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$100,000 and changing the source of funding to the general fund for the activities of the advisory group; provided that no funds shall be expended unless matched on a dollar-for-dollar basis by federal, private, or other external funds;
- (2) Inserting an effective date of July 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. 2678, 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. 2678, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Ige, Dela Cruz, Espero and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Ige).

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

Conf. Com. Rep. 178-12 on S.B. No. 2236

The purpose of this measure is to:

- (1) Amend chapter 39A, part VI, Hawaii Revised Statutes, to authorize the issuance of special purpose revenue bonds to assist utilities serving the general public in providing telecommunications (part I); and
- (2) Authorize the issuance of up to \$100,000,000 in special purpose revenue bonds to assist Clearcom, Inc., or a partnership headed by Clearcom, Inc., with planning, permitting, designing, constructing, equipping, and operating broadband infrastructure throughout the State; and lapse the authorization to issue special purpose revenue bonds on June 30, 2017 (part II).

Your Committee on Conference finds that this measure will assist in the development of critical broadband infrastructure and is well aligned with the Hawaii broadband initiative's goals of providing affordable high speed communication through the State by 2018.

Your Committee on Conference has amended this measure by:

- (1) Inserting an effective date of July 1, 2012; and
- (2) Making a technical, nonsubstantive amendment 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. 2236, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2236, H.D. 2, C.D. 1.

Signed by the House Majority Leader and Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 179-12 on S.B. No. 2958

The purpose of this measure is to appropriate funds as a grant, pursuant to chapter 42F, Hawaii Revised Statutes, for Kapiolani Medical Center for Women and Children to implement a peripheral blood stem cell/apheresis program.

Your Committee on Conference finds that the closure of the Hawaii Medical Center facilities has terminated the State's ability to provide bone marrow transplantation services, which are used to treat patients with leukemia, aplastic anemia, lymphomas, some solid tumors, and various other medical conditions. Given the critically important nature of the transplantation services that are now missing in Hawaii, efforts to implement a program are immediately necessary.

Your Committee on Conference has amended this measure by:

- (1) Replacing references to the peripheral blood stem cell/apheresis program with references to an apheresis stem cell collection program to support pediatric bone marrow transplantation to serve all young children to adulthood;
- (2) Inserting an appropriation amount of \$500,000;
- (3) Changing the effective date to July 1, 2012; 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. 2958, 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. 2958, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Ige, Baker, Chun Oakland and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Ige).

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

Conf. Com. Rep. 180-12 on S.B. No. 2804

The purpose of this measure is to:

- (1) Establish the Hawaii Interagency Council on Homelessness, to be administratively attached to the Department of Human Services; and
- (2) Require the Department of Human Services to conduct a study on the feasibility of establishing safe havens in Hawaii and to submit a report to the Legislature prior to the convening of the 2013 Regular Session.

Your Committee on Conference finds that homelessness requires greater collaboration and coordination among diverse government entities, businesses, nonprofits, and faith-based organizations. This measure allows the Hawaii Interagency Council on Homelessness to continue identifying critical strategic goals and initiatives that would mitigate homelessness as well as ensure that homeless persons obtain permanent housing and become reintegrated into the community.

Your Committee on Conference also finds that there will always be a segment of the homeless population that does not reside in Hawaii's current homeless shelter system for reasons including lack of space, eligibility, or personal choice. For this population, a permissible temporary encampment may be highly preferable. In order to determine whether or not designating safe facilities for the homeless is feasible in Hawaii, your Committee on Conference finds that a study is the best course of action at this time.

Your Committee on Conference has amended this measure by:

- (1) Amending the findings language;
- (2) Establishing the Hawaii Interagency Council on Homelessness as a new part in chapter 346, Hawaii Revised Statutes, rather than in session laws;

- (3) Designating the Governor's Coordinator on Homelessness as the Chair of the council rather than designating the Director of Human Services as the ad hoc Coordinator of the Council;
- (4) Amending the objectives of the Hawaii Interagency Council on Homelessness, including specifying that the statewide plan to be formulated by the Council shall be a ten-year plan and that the Council shall advise the Governor on the implementation of the plan;
- (5) Amending the issues that the ten-year, statewide plan must address to include activating, coordinating, and maintaining responsive action among the public, business, and faith-based communities to become part of the homelessness solutions strategy;
- (6) Amending the membership of the Hawaii Interagency Council on Homelessness;
- (7) Specifying that only the non-governmental members of the Council shall serve without compensation but be reimbursed for certain expenses;
- (8) Deleting language that allowed the Council to prioritize, modify, or refrain from exercising any of the duties of the Council;
- (9) Deleting language that required the Council to endeavor to coordinate the duties, responsibilities, and functions of all the members of the Council;
- (10) Adding language that exempts members of the Hawaii Interagency Council on Homelessness from chapter 84, Hawaii Revised Statutes;
- (11) Inserting an appropriation amount of \$25,000 to the Department of Human Services for administrative expenses of the Hawaii Interagency Council on Homelessness;
- (12) Amending the language that requires the Department of Human Services to conduct a study on establishing safe havens in Hawaii to instead require the Department, with the assistance and advisement of the Hawaii Interagency Council on Homelessness, to conduct a study on designating safe facilities that meet certain requirements;
- (13) Amending the considerations and components required of the study;
- (14) Amending the reporting requirement to require the Department of Human Services, in conjunction with and with the advisement of the Hawaii Interagency Council on Homelessness, to report on the progress of the establishment of designated safe facilities;
- (15) Changing the effective date from July 1, 2030, to July 1, 2012; and
- (16) 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. 2804, 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. 2804, S.D. 2, H.D. 2, C.D. 1.

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

Senators Chun Oakland, Espero, Ryan and Slom.

Managers on the part of the Senate.

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

Representatives Cabanilla, Kawakami, Ito, Jordan, Mizuno and Pine.

Managers on the part of the House.

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

STANDING COMMITTEE REPORTS

SCRep. 2001 Judiciary and Labor on Jud. Com. No. 1

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE SECOND CIRCUIT, STATE OF HAWAII

J.C. No. 1 MIMI DESJARDINS, for a term to expire in six years.

Your Committee has reviewed the resume submitted by the appointee and finds Mimi DesJardins to possess the requisite qualifications to be appointed to the District Court of the Second Circuit, State of Hawaii.

Testimony in support of the appointment of Ms. DesJardins was submitted by the Prosecuting Attorney of the County of Maui; the Executive Director of Women Helping Women; Araki-Regan & Associates, LLC; and twenty-one private individuals. Testimony in opposition was received from two private individuals. Comments were submitted by the Board of Directors of the Hawaii State Bar Association.

The Hawaii State Bar Association Board of Directors found the appointee to be qualified for the position of District Court Judge, Second Circuit, based on established criteria for determining the qualifications of judicial and executive appointments generally using the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. Specifically, the Board uses the following criteria in its deliberations: 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 nominated. The Board's rating system includes the categories of "qualified" and "not qualified."

Ms. DesJardins received her Bachelor of Arts degree in Liberal Arts at St. John's College in Annapolis, Maryland, and her Doctorate of Jurisprudence from the University of Puget Sound School of Law. She is currently a solo practitioner concentrating in family law, including the areas of paternity, guardianship, divorce, custody, and visitation; child protective proceedings; custody evaluations and guardian ad litem appointments; and juvenile proceedings. She also has extensive practice experience in the area of criminal defense, including felony and misdemeanor jury trials; and family and district court bench trials. Prior to entering private practice, Ms. DesJardins served as a Deputy Prosecuting Attorney, Deputy Public Defender, and Deputy Corporation Counsel, all in the County of Maui. Since 2006, she has served as a Per Diem Judge for the District Court of the Second Circuit.

Ms. DesJardins is licensed to practice law in Washington and Hawaii. She has previously served on the Board of Directors of the Montessori School of Maui and the Board of Directors of the Maui County Bar Association.

Testimony in support of Ms. DesJardins' appointment commended her broad legal background as an asset that will help her preside effectively over criminal and civil matters as well as her judicial temperament of patience and consistency. Testimony in support noted that as a Per Diem Judge, she possesses the keen mind and good knowledge of the law, and communicates well with all parties that come before her in court where she treats parties with respect and makes quick and consistent decisions. She is known among her peers in the legal community as intelligent, thoughtful, conscientious, and hard working while possessing the highest level of integrity.

Your Committee notes the testimony submitted in opposition relates to a single custody case in which Ms. DesJardins represented the father. The opposing testimony claims that she disregarded certain criteria used to determine the award of child custody in order to obtain a favorable ruling for her client. Ms. DesJardins disclosed to your Committee that the case is currently on appeal.

While your Committee recognizes the sensitive and emotional nature of custody cases, it also understands that the issue currently on appeal involves the presiding judge's ruling that awarded custody to her client; not Ms. DesJardins' conduct. Since this case is considered ongoing litigation and noting that none of the individuals in opposition to Ms. DesJardins' appointment appeared during her confirmation hearing, your Committee is satisfied that she is fully qualified to serve as a District Court Judge.

As such, your Committee finds that, based on testimony submitted on her behalf, Mimi DesJardins has the experience, temperament, judiciousness, and other competencies to be a District Court Judge. She 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, 5. Noes, none. Excused, none.

SCRep. 2002 (Majority) Public Safety, Government Operations, and Military Affairs on S.B. No. 2245

The purpose and intent of this measure is to allow for appropriations by the Legislature to the reduced ignition propensity cigarette program special fund, and to appropriate \$400,000 from the general fund to the special fund to implement the reduced ignition propensity cigarette program and hire necessary staff.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, County of Hawaii Fire Department, County of Maui Department of Fire and Public Safety, and Kauai Fire Department.

According to the State Fire Council, the appropriation will be used to hire two full-time personnel to accomplish the following:

- (1) Adopt administrative rules for program implementation, establish compliance inspections, and approve forms and enforcement procedures and guidelines;
- (2) Receive, verify, and approve certifications at three-year intervals for approximately six hundred different brands of cigarettes from various manufacturers;

- (3) Compile a list of approved brands, verify the list with the Department of the Attorney General for state tax stamp compliance, and post the list on a state website;
- (4) Review and approve, as needed, alternative test methods or fire standard compliance markings submitted by a manufacturer; and
- (5) Submit compliance tests to an accredited laboratory to verify that performance standards are met.

Your Committee finds that this measure will reduce the number of fires caused by cigarettes.

Your Committee has amended this measure by changing the expending fund from the general fund to the temporary deposits account in the trust fund of the Department of Labor and Industrial Relations.

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. 2245, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2245, S.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. 2003 Public Safety, Government Operations, and Military Affairs on S.B. No. 2359

The purpose and intent of this measure is to add distilled spirits to the types of intoxicating liquors that the holder of a class 1 liquor license may sell for private use and consumption.

Your Committee received comments on this measure from the Honolulu Liquor Commission.

According to testimony of the Honolulu Liquor Commission, there is no compelling reason to exclude “distilled spirits” from direct consumer sales to individuals for private use and consumption. However, the Honolulu Liquor Commission recommended that the measure be amended to add other specified liquor manufactured from fruits or other products grown in the State. The change would include alcoholic beverages made from products such as locally grown sugar cane.

Your Committee finds that expanding class 1 manufacturer license sales to include liquor produced from fruits and products grown in the State supports current efforts to produce more of the liquor manufactured in the State from locally grown crops which would promote the growing of more crops in the State. Also, producing more local liquors from locally grown crops helps liquor sales of small businesses.

Your Committee has amended this measure by specifying that other specified liquor or distilled spirits manufactured from fruits or other products that are grown in the State are liquors or distilled spirits that class 1 manufacturer licensees are also authorized to sell for private use or consumption.

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. 2359, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2359, 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. 2004 Education on S.B. No. 2545

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

- (1) Establish the Executive Office on Early Learning;
- (2) Establish the Early Learning Advisory Board to replace the Early Learning Council;
- (3) Repeal junior kindergarten programs at the end of the 2013-2014 school year;
- (4) Require students to be at least five years of age on July 31 of the school year in order to attend kindergarten starting with the 2014-2015 school year; and
- (5) Make an appropriation in an unspecified amount to the Executive Office on Early Learning.

Your Committee received testimony in support of this measure from the Office of the Governor, Department of Education, Department of Human Services, Department of Health, University of Hawai‘i System, Early Learning Council, Childcare Business Coalition, Hawaii Association for the Education of Young Children, Child and Family Service, Special Education Advisory Council, Be My Voice Hawai‘i, ‘Aha Punana Leo, Community Children’s Council of Hawaii, and one individual. Your Committee received testimony in opposition to this measure from the Hawaii State Teachers Association. Your Committee received comments on this measure from the Office of Information Practices and Good Beginnings Alliance.

Your Committee finds that early experiences lay the groundwork for a child’s lifelong learning and behavior. Your Committee further finds that high quality early learning programs that are affordable and accessible for all children are critically important to ensure the success of Hawai‘i’s children.

Establishing an Executive Office on Early Learning will help the State meet its goal of providing a viable early learning system for the keiki of Hawaii. In addition, your Committee urges the Executive Office on Early Learning to engage in outreach and collaborate with early education stakeholders, including early learning educators.

Your Committee also notes that the Office of the Governor has requested \$500,000 in its budget request to support early learning.

As such, your Committee has amended this measure by:

- (1) Inserting an appropriation of \$500,000 to provide the Executive Office on Early Learning with appropriate start up capital; 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. 2545, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2545, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 2005 Public Safety, Government Operations, and Military Affairs on S.B. No. 2247

The purpose and intent of this measure is to require communications service providers to provide call location information upon request by public safety agencies responding to emergencies.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of the Attorney General, Hawaii County Police Department, Honolulu Prosecuting Attorney, Honolulu Police Department, Oceanic Time Warner Cable, and four individuals. Testimony in opposition was received from the Maui Police Department. Comments were received from Hawaiian Telcom.

Your Committee finds that this measure enables public safety agencies to determine the source of call location information, which can be particularly helpful in situations where a quick determination of the call location may reduce or eliminate the risk of death or serious bodily injury. One instance in which a timely call location determination would have been helpful was the case of Kelsey Smith, who was reported missing on June 2, 2007, and whose body was recovered four days later. In that case, Kelsey could have been found in time if her cell phone signal had been used to locate her sooner; however, the information was not provided to investigators until a few days after Kelsey was reported missing. In the wake of this incident, several states have passed legislation similar to this measure.

Your Committee has amended this measure by:

- (1) Substituting references to “communications service provider” with “commercial mobile radio service provider”;
- (2) Substituting the reference to “serious physical harm” with “serious bodily injury”; and
- (3) Adding public safety answering points to the limitation of liability provision.

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. 2247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2247, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

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

SCRep. 2006 Judiciary and Labor on S.B. No. 2213

The purpose and intent of this measure is to require a public employer to consider another position within the same department for which the employee is qualified prior to discharging an employee due to failing to meet performance requirements.

Your Committee received testimony in support of this measure from the Department of Human Resources Development; and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Testimony in opposition to this measure was submitted by one private individual. The Department of Human Resources of the City and County of Honolulu submitted comments.

Your Committee finds that a public employer is required to consider the feasibility of transferring an employee to another position for which the employee was considered prior to discharge. However, the scope of the current statutory language fails to define the scope of the job search. As a result, state departments, counties, and other jurisdictions each have their own interpretation of the job search scope. Your Committee believes that this measure will provide further uniformity and consistency in the application of the law.

Your Committee has amended this measure by:

- (1) Adding clarifying language that the appointing authority is required to consider another position within the department of the appointing authority; 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. 2213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2213, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5, Ayes with Reservations (Ihara). Noes, none. Excused, none.

SCRep. 2007 (Majority) Judiciary and Labor on S.B. No. 2220

The purpose and intent of this measure is to establish a boiler and elevator special fund to provide a mechanism for self-sufficiency for the Boiler and Elevator Inspection Branch of the Department of Labor and Industrial Relations by increasing permit and inspection fees and authorizing ten additional positions.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; the Department of Human Resources Development; the Hawaii Government Employees Association (HGEA), AFSCME Local 152, AFL-CIO; the Hawaii State AFL-CIO; the International Longshore Warehouse Union (ILWU), Local 142; the National Elevator Industry, Inc.; the Hawaii Operations Manager of the Elevator/Escalator Division of Mitsubishi Electric & Electronics USA, Inc.; and two private individuals. Testimony in opposition to this measure was submitted by two private individuals.

Your Committee finds that the Boiler and Elevator Inspection Branch operates entirely on general funds, and permit and inspection fees have not changed since 1998. Despite process improvements, seventy-five percent of elevators and fifty percent of boilers are operating without a current permit. Furthermore, the branch has a backlog in performing critical load tests on elevators, internal inspections of escalators, and inspections of amusement rides. This measure provides a mechanism for self-sufficiency to enable the branch to hire and retain qualified personnel and carry out inspection and permitting functions related to public safety.

Your Committee recognizes concerns that this measure does not address the need for the State to bring its elevator inspection codes up to date or take into account the time needed to train existing state elevator inspectors to conduct inspections in accordance with 2010 elevator codes. Your Committee believes that updating the elevator code will further ensure public health and safety, and merits further discussion.

Furthermore, testimony notes that in 2009, South Carolina allowed third party inspectors to conduct elevator inspections. As a result, that state increased its capacity for inspecting elevators, and increased revenues and job opportunities, which an increase in fees alone may not have been sufficient to accomplish. As such, your Committee finds that discussion regarding the sufficiency of the funding provided by this measure and the possibility of hiring third party inspectors merits further discussion by the Committee on Ways and Means.

As affirmed by the record of votes of the members 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. 2220 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2008 (Majority) Judiciary and Labor on S.B. No. 2203

The purpose and intent of this measure is to increase the State's minimum wage to \$7.75 from July 1, 2012, to June 30, 2013, and to \$8.25 from July 1, 2013, and thereafter, to increase the economic security, well-being, and productivity of Hawaii's workers.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; the Hawaii State AFL-CIO; the Hawaii Government Employees Association (HGEA), AFSCME Local 152, AFL-CIO; Pride At Work Hawaii; the International Longshore and Warehouse Union (ILWU) Local 142; the Hawaii Professional Assembly; and two private individuals. Testimony in opposition to this measure was submitted by the Chamber of Commerce of Hawaii; the Hawaii Business League; the National Federation of Independent Business (NFIB) Hawaii; the Retail Merchants of Hawaii; the Hawaii Food Industry Association; the Libertarian Party of Hawaii; the Okimoto Corp.; Ken's House of Pancakes of Hawaii, Inc.; Times Super Market; Bubbies Homemade Ice Cream & Desserts, Inc.; Tamura Enterprises, Inc.; the Hawaii Restaurant Association; KYD, Inc.; and three private individuals.

Your Committee finds that Hawaii's cost of living is the highest in the nation; however, the state minimum wage is still equal to the federal minimum wage of \$7.25 per hour. The proposed increase for the first year will place approximately \$1,000 into the pockets of low-wage workers who will most likely spend those additional earnings on goods and services, thereby contributing to the economic recovery of the State.

Your Committee has amended this measure as suggested by the Department of Labor and Industrial Relations by changing the effective date to October 1, 2012, to take into account planning considerations.

As affirmed by the record of votes of the members 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. 2203, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2203, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2009 Transportation and International Affairs on S.B. No. 61

The purpose and intent of this measure is to require a driver to take certain safety precautions when approaching an emergency vehicle that is stopped ahead of the driver.

Your Committee received testimony in support of this measure from the State Department of Transportation, Honolulu Prosecuting Attorney, Honolulu Police Department, Maui Police Department, Hawaii Transportation Association, Mothers Against Drunk Driving Hawaii, Hawaii Government Employees Association, and four individuals. Testimony in opposition was submitted by the State Public Defender.

Your Committee finds that traffic accident fatalities involving police officers responding to emergency situations are tragic and largely avoidable with certain traffic safety precautions. On September 13, 2011, a police officer was killed along Farrington highway while assisting another officer during a traffic stop which also resulted in severe injuries to the officer being assisted. On January 21,

2012, another police officer was killed while the officer's vehicle was stopped behind a stalled vehicle to render assistance on the H-1 freeway.

Your Committee further finds that existing law does not address the specific situation of taking precautions when approaching a police vehicle, or any other emergency vehicle, that is stopped to render assistance to a motorist or another emergency responder.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 2663 (2012), a substantially similar measure that:
 - (A) Protects against double jeopardy, since criminal penalties exist for motor vehicular homicide and bodily injury;
 - (B) Excludes language deeming a collision with an emergency vehicle as prima facie evidence of a violation; and
 - (C) In cases of death or injury attributable to the driver of the vehicle, directs that the driver be charged with existing criminal offenses for negligent homicide or negligent injury specifically involving motor vehicles;
- (2) Clarifying that an approaching driver must slow down to a reasonable and prudent speed that is safe under the circumstances of an emergency road situation ahead, where reasonableness and prudence shall take into account weather conditions, road conditions, and vehicular and pedestrian traffic in the immediate area; and
- (3) Making the penalty a petty misdemeanor if no death or injury occurs that is attributable to the driver of the vehicle.

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. 61, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 61, 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. 2010 Transportation and International Affairs on S.B. No. 2333

The purpose and intent of this measure is to prohibit personally identifiable information obtained from driver's licenses and state certificates of identification from being scanned and retained without the express permission of the holder of the driver's license or certificate of identification.

Your Committee received testimony in support of this measure from the State Department of Transportation, Honolulu Licensing Administrator, and the American Civil Liberties Union of Hawaii. Comments on this measure were received from Consumer Data Industry Association and one individual.

Your Committee believes that driver's licenses and identification cards containing personally identifiable information must be protected by government agencies and their agents with the utmost care.

Your Committee finds that many private businesses have adopted a practice of scanning bar codes on customer's driver's licenses for all manner of purchases. For example, bar code scanning may be required by company policy for purchases of alcohol and other age-related transactions. This bar code scanning practice raises serious privacy concerns inasmuch as Hawaii driver's license bar codes contain significant personal information, including name, address, date of birth, hair, eye color, height, weight, gender, license expiration date, organ donor status, driver's license number, and fingerprint.

Your Committee further finds that the Department of Homeland Security urges states to adopt a law regulating electronically scanning and retaining personally identifiable information stored in the machine readable zone of driver's licenses.

Your Committee has amended this measure by:

- (1) Substituting its contents with S.B. No. 2419 (2012), a substantially similar measure that amends chapter 487R, Hawaii Revised Statutes, to:
 - (A) Go further in protecting the right of privacy by prohibiting the scanning of the machine-readable zone of an individual's certificate of identification or driver's license, with certain exceptions, making no allowance for consent of the holder of the certificate or license; and
 - (B) Make a violation of the prohibition a misdemeanor, punishable by a fine of up to \$2,000 or imprisonment of up to one year, or both, where each violation is a separate offense; and
- (2) Changing the title of chapter 487R, Hawaii Revised Statutes, "Destruction of personal information records", to reflect the provisions relating to unlawful use of personal information records added to that chapter by this measure.

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. 2333, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2333, 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. 2011 Transportation and International Affairs on S.B. No. 2968

The purpose and intent of this measure is to allow motor vehicle insurance companies to offer discounts on premiums if the insured completes a state-approved driver safety course.

Your Committee received testimony in support of this measure from the Hawaii Transportation Association. Comments on this measure were received from the Department of Commerce and Consumer Affairs and one individual.

Your Committee finds that many states allow insurers to offer motor vehicle insurance discounts to drivers who complete a driver safety course in the classroom or online. However, existing law in Hawaii on discriminatory practices in underwriting is silent on allowing motor vehicle insurance companies to offer discounts of any kind.

Your Committee has amended this measure by:

- (1) Deleting the requirement that a driver safety course be state-approved and removing the involvement of the Insurance Commissioner and the Department of Transportation in any approval process as your Committee believes that each insurer should determine the type and content of the course that would suffice for their purposes;
- (2) Referencing both of the terms "driver safety course" and "driver improvement course" throughout the measure, in the interests of making the measure more comprehensive to accommodate the nomenclature of these types of courses in various insurance policies; 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2968, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2968, 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. 2012 Agriculture on S.B. No. 2691

The purpose and intent of this measure is to allow ex officio members of the Board of Agriculture to designate a representative to attend board meetings when the ex officio member is unable to attend.

Your Committee received testimony in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, and Hawaii Farm Bureau Federation.

Your Committee finds that the Board of Agriculture is made up of ten members, three of which are ex officio voting members: the Chairperson of the Board of Land and Natural Resources; Director of Business, Economic Development, and Tourism; and Dean of the University of Hawaii College of Tropical Agriculture and Human Resources. Often times, the busy schedules of these voting ex officio members make it extremely difficult for them to attend board meetings. This measure will allow these ex officio members to designate representatives to attend board meetings in their place which will increase the productivity and efficiency of the Board 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 is in accord with the intent and purpose of S.B. No. 2691 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, 4 (Chun Oakland, Dela Cruz, Slom, Tokuda).

SCRep. 2013 Transportation and International Affairs on S.B. No. 2517

The purpose and intent of this measure is to require the removal from certain certified traffic abstracts records of all alleged moving violations for which the disposition of the case was "dismissed with prejudice" or "not guilty", or that occurred more than ten years prior to the date of the request for the abstract, with exceptions.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments from the Judiciary.

Your Committee finds that moving violations resulting in a dismissal with prejudice or a not guilty judgment which occurred more than ten years prior to the date of a request for a certified traffic abstract, should not be included in the traffic abstract, except for commercial driver licensing traffic records. The lapsing of a period of ten years in which the accused driver for all practical intents and purposes has been exonerated should be wiped off the driving records.

Your Committee defers to the discretion of the Committee on Judiciary and Labor to address the Judiciary's objections to section 2 of this measure since it involves the administrative practices of the courts. Further, your Committee notes that perhaps sections 2 and 3 of this measure should be codified into section 287-3, Hawaii Revised Statutes, if the Committee on Judiciary and Labor decides to pass this measure.

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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2517, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2517, 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. 2014 (Majority) Human Services on S.B. No. 2808

The purpose and intent of this measure is to make an emergency appropriation for fiscal year 2011-2012 for health care payments (HMS 401) to address a funding shortfall in the Medicaid program.

Your Committee received testimony in support of this measure from the Department of Human Services, the Hawaii Medical Association, and the Hawai'i Primary Care Association.

Your Committee finds that this measure will provide the Department of Human Services with the funds the department requires to continue their core services. Specifically, the funding in this measure will help to ensure that the department can continue making timely payments to contracted health plan providers.

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. 2808 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2015 Judiciary and Labor on S.B. No. 2205

The purpose and intent of this measure is to propose a constitutional amendment to lower the number of nominees presented by the Judicial Selection Commission to fill state court judicial vacancies.

Your Committee did not receive any written testimony regarding this measure.

Your Committee finds that the Judicial Selection Commission is mandated by the state constitution to present to the Governor a list of not less than four and not more than six nominees to fill a vacancy in the Office of the Chief Justice, Supreme Court, Intermediate Court of Appeals, and Circuit Courts. The Judicial Selection Commission also presents to the Chief Justice a list of not less than six nominees to fill a vacancy in the District Courts. Lowering the number of nominees for consideration to fill a state court judicial vacancy to three nominees enhances the level of review the Judicial Selection Commission engages in when selecting nominees from the pool of judicial applicants. A higher level of review by the commission thereby better enables the Governor and Chief Justice to appoint the most qualified nominee to serve on the bench.

As affirmed by the record of votes of the members 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. 2205 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. 2016 Judiciary and Labor on S.B. No. 2206

The purpose and intent of this measure is to propose a constitutional amendment to raise the mandatory retirement age for state judges and justices from seventy to eighty years of age.

Your Committee received testimony in support of this measure from the International Longshore and Warehouse Union Local 142 and the League of Women Voters of Hawaii. The Office of the Public Defender and one private individual submitted comments.

Your Committee finds that there are a number of judges and justices who are willing and able to serve on the bench past the mandatory retirement age of seventy. While your Committee recognizes that a mandatory retirement age ensures continued opportunities to serve on the bench, it believes that judges and justices who are willing and able to serve should be allowed to do so until the age of eighty.

As affirmed by the record of votes of the members 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. 2206 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. 2017 Energy and Environment on S.B. No. 2291

The purpose and intent of this measure is to allow owners of condominium units in condominium structures no more than three stories in height to place a solar energy device on the roof of the condominium structure.

Your Committee received testimony in support of this measure from the Sierra Club, Blue Planet Foundation, Hawaii Solar Energy Association, and four individuals. Your Committee received testimony in opposition to this measure from the Community Associations Institute.

Your Committee finds that allowing low-rise condominium owners to install solar energy devices on the roofs of condominium structures will help achieve the State's clean energy goals. Expanding access to solar power to low-rise condominium owners will benefit the local economy by helping to create clean "green collar" jobs locally and reducing the amount of money that is exported from the State to buy fossil fuels. This measure creates parity between owners of low-rise condominium units and owners of other types of residential dwellings and townhouses, who are already authorized to install solar energy devices.

Your Committee further finds that owners of low-rise condominium units should be able to install a solar device on the rooftop of the condominium structure, regardless of whether their unit is on the first, second, or third floor of the structure.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying language that specified the placement of a solar energy device on the roof directly above the owner's condominium unit, which many have implied that only owners of units on the top floor of the condominium could install a solar energy device; and
- (2) Requiring that the insurer for the repair, maintenance, removal and replacement of a solar energy device, including any damages to or caused by the device, notify the private entity responsible for the common elements of a residential dwelling, townhouse, or condominium unit if the insurance policy lapses.

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. 2291, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2291, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Slom).

SCRep. 2018 Energy and Environment on S.B. No. 2966

The purpose and intent of this measure is to increase the maximum allowable customer-generator capacity for net energy metering systems to two megawatts if the generating facility is sited on property owned or controlled by the State of Hawaii, or one megawatt for all other systems.

Your Committee received testimony in support of this measure from Hawaii Solar Energy Association, Blue Planet Foundation, and the Sierra Club's Hawaii Chapter. Your Committee received testimony in opposition to this measure from Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company. Your Committee received comments on this measure from the Public Utilities Commission and Division of Consumer Advocacy.

Your Committee finds that under existing law, the vast majority of customer-generators may generate no more than one hundred kilowatts of energy, limiting the ability of customer-generators to save in electricity costs. At current energy prices, the maximum customer-generator capacity is roughly the equivalent of a monthly power bill of \$4,000 to \$5,000, depending on the location of the building. Many businesses have power bills that are much higher than \$5,000 per month but cannot, without a rule or order by the Public Utilities Commission, match their electrical output needs by generating more than one hundred kilowatts of energy.

At the public hearing on this measure, various testifiers disputed whether the net energy metering program inflated the cost of electricity for non-net energy metered utility customers, and if so, by how much. It appears that no comprehensive study of this issue has been conducted in Hawaii. The Public Utilities Commission is currently working together with docketed parties to address issues of electric grid reliability and the development of transparent standards for interconnection to the electrical grid.

Your Committee has amended this measure by:

- (1) Changing the effective date from upon approval to July 1, 2050, to ensure 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2966, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2966, 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. 2019 Energy and Environment on S.B. No. 2287

The purpose and intent of this measure is to ensure that existing net energy metering contracts may be maintained even if the Public Utilities Commission establishes alternative mechanisms for crediting or otherwise compensating eligible customer-generators for exported power.

Your Committee received testimony in support of this measure from Hawaii Solar Energy Association, Blue Planet Foundation, Hawaii Renewable Energy Alliance, and one individual. Your Committee received comments on this measure from the Public Utilities Commission and the Division of Consumer Advocacy.

Your Committee finds that net energy metering makes it possible for Hawaii's homeowners and business owners to invest in renewable energy systems that offset their own energy consumption, thereby reducing costs for those homeowners and business owners. According to testimony, net energy metering, in conjunction with Hawaii's renewable income tax credit, has helped Hawaii achieve the second highest rate of per capita solar photovoltaic energy system installation among the fifty states. Your Committee finds that this measure allows for the continuation of a practice that encourages individuals and businesses to take advantage of renewable energy and advances the State's progress toward greater renewable energy use.

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. 2287 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, 3. Noes, none. Excused, 2 (English, Slom).

SCRep. 2020 Agriculture on S.B. No. 2695

The purpose and intent of this measure is to create a livestock feed feasibility pilot project within the Department of Agriculture to investigate the viability of a livestock feed program on Department of Agriculture land.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Cattlemen's Council, Inc.; Hawaii Crop Improvement Association; Monsanto Co.; West County Farm Bureau; Hawaii Farm Bureau Federation; and Environmental Caucus of the Democratic Party of Hawaii.

Your Committee finds that the rising cost of livestock feed has a significant impact on production costs for local protein producers. Since 2007, two dairies and four egg farms have gone out of business primarily due to the rising costs of feed. Without these local agricultural businesses, all beef, milk, chicken, and eggs will have to be imported into the State. This measure would establish a livestock feed feasibility pilot project to help address the rising cost of feed and explore ways to increase the sustainability of our local protein sources.

Your Committee further finds that the Oceanic Institute, an affiliate of Hawaii Pacific University, is actively exploring ways that feedstock can be sourced and produced locally. As such, your Committee urges the Department of Agriculture to work collaboratively with the Oceanic Institute to further develop locally grown livestock feed as a step toward lessening Hawaii's dependency on imports.

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. 2695, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2695, S.D. 1, and be 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, Dela Cruz, Slom, Tokuda).

SCRep. 2021 Agriculture on S.B. No. 2692

The purpose and intent of this measure is to establish the agricultural development and food security program to encompass all aspects of agriculture from farm to market.

Your Committee received testimony in support of this measure from the Department of Agriculture, Pacific Resource Partnership, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Kona Coffee Farmers Association, Environmental Caucus of the Democratic Party of Hawaii, and two individuals.

Your Committee finds that in order to move Hawaii's agricultural industry forward and meet the sustainability needs of the State, it is necessary to establish a coordinated effort among state and federal agencies; agricultural, transportation, and research organizations; and the private sector. This measure authorizes the Department of Agriculture to develop, coordinate, fund, and integrate new and existing programs, facilities, and projects in order to promote the development of agriculture and food security within the State.

Your Committee notes from the testimony of the Kona Coffee Farmers Association ("KCFA") that consideration should be given to help protect "Point of Origin" agricultural products. The Committee also recognizes KCFA's concern that industry groups affected by decisions made by the Department of Agriculture as part of the agricultural development and food security program be given adequate notice of the proposed changes.

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

While your Committee recognizes the importance of KCFA's testimony, it notes that the amendments suggested by KCFA's are not a part of the technical, nonsubstantive amendments agreed to by your Committee.

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. 2692, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2692, 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, Dela Cruz, Slom, Tokuda).

SCRep. 2022 Human Services on S.B. No. 2308

The purpose and intent of this measure is to request and appropriate funds for the Executive Office on Aging of the Department of Health to conduct an education and awareness campaign on long-term care and have the campaign evaluated.

Your Committee received testimony in support of this measure from the Executive Office on Aging of the Department of Health; AARP; Child and Family Service; Healthcare Association of Hawaii; the ILWU Local 142; the National Association of Insurance and Financial Advisors; the Policy Advisory Board for Elder Affairs; and three individuals.

Your Committee finds that this proposal is based on a recommendation of the Hawaii Long-Term Care Commission. The Commission recommends an education and awareness campaign on long-term care based on its research indicating that the public misunderstands much of the available information regarding the financing of long-term care.

Your Committee has amended this measure by:

- (1) Delaying the date by which the Executive Office on Aging shall submit its report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014; 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. 2308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2308, 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. 2023 Public Safety, Government Operations, and Military Affairs on S.B. No. 2777

The purpose and intent of this measure is to:

- (1) Amend eligibility for probation to include second time offenders for certain drug offenses;
- (2) Allow a one-time expungement of a drug conviction record for a person sentenced to probation without a previous sentence to probation for a drug offense;
- (3) Reduce the time of probation from five to three years for class B and class C felonies, except sexual offenses and child abuse;
- (4) Establish an incentive time credit for probationers to reduce time on probation; and
- (5) Increase from \$300 to \$750 the minimum threshold value of property or services stolen that constitutes theft in the second degree.

Your Committee received testimony in support of this measure from the Governor, Department of Public Safety, State Public Defender, The Judiciary, The Council of State Governments Justice Center, Hawaii Substance Abuse Coalition, Community Alliance on Prisons, Drug Policy Forum of Hawai'i, Child & Family Service, American Civil Liberties Union of Hawai'i, Crime Victim Compensation Commission, and three individuals. Comments were received from the Honolulu Prosecuting Attorney.

This measure is a recommendation of the Council of State Governments Justice Center, which provided intensive technical assistance to Hawaii to conduct a comprehensive analysis of the State's criminal justice system and help state leaders develop policy options that could increase public safety while saving taxpayer dollars. The Justice Center utilized a data-driven approach to identify inefficiencies, develop cost-effective policy options, and plan for a reinvestment of savings that reduces recidivism and increases public safety. The intent of your Committee is to address inefficiencies in the correctional system, reinvest millions of dollars in savings to ease overcrowding in the State's prisons, and eventually stop the practice of sending inmates to the mainland.

Your Committee finds that while crime rates have declined, the population under probation supervision and incarceration has not declined, and in some cases has increased. From July 1, 1999, to June 30, 2011, the State's prison and jail population grew eighteen percent, from 5,118 to 6,043. During the same period, expenditures for the Corrections Division of the Department of Public Safety increased seventy percent, from \$112,000,000 to \$190,000,000. Approximately one-third of Hawaii's prison population is housed in out-of-state facilities on the mainland. The cost of housing these offenders out-of-state was \$45,000,000 from July 1, 2010, to June 30, 2011.

Your Committee further finds that key areas of the criminal justice system are not operating cost effectively to reduce crime and increase public safety. Probation terms in Hawaii are longer than the national average. Nationally, felony offenders are typically supervised for no more than three years. In Hawaii, the statute calls for five years of probation for Class B and C felons. Individuals convicted of a second drug possession offense must be sentenced to imprisonment. Most states allow greater flexibility for judges to determine whether a second time drug possession offender should be sentenced to imprisonment or probation depending on the circumstances of the case.

Hawaii's felony theft level has remained unchanged since at least 1986. Currently, theft of more than \$300 constitutes a felony. Nationally, many states have recently raised their thresholds to adjust for inflation. The national average threshold is more than \$700.

Your Committee wants to stop the practice of sending our prisoners out of state because it sends public dollars out of Hawaii. Your Committee finds that the best way to reduce crime is to support the establishment of strong, nurturing families and improve economic and social conditions. By returning prisoners to Hawaii, not only are the opportunities for rehabilitation and family reunification improved, dollars spent out-of-state will be reinvested in creating jobs and community service opportunities here at home.

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. 2777, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2777, 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. 2024 Public Safety, Government Operations, and Military Affairs on S.B. No. 2581

The purpose and intent of this measure is to codify the statewide automated victim information and notification system and to establish an automated victim notification system special fund.

Your Committee received testimony in support of this measure from the Department of Public Safety, State Attorney General, Hawaii Paroling Authority, Crime Victim Compensation Commission, Honolulu Prosecuting Attorney, Kaua'i Prosecuting Attorney, Maui Prosecuting Attorney, Hawaii State Commission on the Status of Women, The Sex Abuse Treatment Center, Mothers Against Drunk Driving HAWAII, Hawaii State Coalition Against Domestic Violence, and three individuals. Comments were received from the Department of Budget and Finance.

Your Committee finds that chapter 801D, Hawaii Revised Statutes, provides crime victims and witnesses with the right, upon request, to be notified of changes in the custody status of the offender. However, due to a lack of timely notice, numerous crime victims have been unable to exercise their right to speak at the offender's parole hearing and have been further traumatized psychologically and emotionally. Many of these victims have been in danger of being further victimized when the defendant was paroled or had escaped.

This measure enables the statewide automated victim identification and notification system to become permanent and establishes a special fund as a source of dedicated funding from a percentage of revenue from inmate commissary purchases, as well as inmate phone usage revenues.

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. 2581, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2581, S.D. 1, 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. 2025 Public Safety, Government Operations, and Military Affairs on S.B. No. 2396

The purpose and intent of this measure is to make the two part-time members of the Hawaii Paroling Authority full-time members and to give the Governor the authority to set the salaries of the paroling authority members.

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 Paroling Authority plays a vital role in the State's criminal justice system. It determines minimum terms of incarceration for almost all inmates sentenced to prison, grants parole when it determines that an inmate is ready for release into the community, establishes terms and conditions of parole for each offender granted parole, oversees parole officers who monitor and supervise parolees, grants discharges from parole, and makes recommendations for pardons and commutations of sentences.

Because the Hawaii Paroling Authority is essentially a part-time body, the members find proper deliberation very difficult when reviewing cases and making decisions that are vital to public safety. Further, the Authority is experiencing severe difficulties in carrying out its responsibility in assuring that the terms and conditions of parole are properly enforced with its existing staff.

Your Committee has amended this measure by:

- (1) Adding two more part-time Hawaii Paroling Authority members to the current two part-time members to make a total of four part-time members, rather than making the two part-time members full-time members, and making conforming amendments; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee intends for the Hawaii Paroling Authority to substantially increase its work capacity with the addition of two part-time members.

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. 2396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2396, S.D. 1, 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. 2026 Public Safety, Government Operations, and Military Affairs on S.B. No. 2250

The purpose and intent of this measure is to authorize the Hawaii Paroling Authority to utilize a continuum of administrative sanctions for violations of terms and conditions of parole, in lieu of revocation of parole.

Your Committee received testimony in support of this measure from the Department of Public Safety, Hawaii Paroling Authority, Hawaii Substance Abuse Coalition, Community Alliance on Prisons, American Civil Liberties Union of Hawai'i, and one individual.

Your Committee finds that the purpose of a continuum of administrative sanctions is to encourage the Hawaii Paroling Authority to work with offenders in the community rather than revoking parole for violations of terms and conditions of parole. Currently the Hawaii Paroling Authority lacks alternatives to reimprisonment for parole violators. Your Committee finds that reimprisonment is one alternative among several potential sanctions, some of which go further to give the parole violator another chance to reintegrate and become a productive member of society.

Your Committee has amended this measure by changing the effective date to January 1, 2025, to facilitate 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 S.B. No. 2250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2250, 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. 2027 Education on S.B. No. 2540

The purpose and intent of this measure is to amend or repeal various sections of chapter 302A, Hawaii Revised Statutes (“HRS”), that:

- (1) Have already been accomplished and are no longer necessary to be codified in statute;
- (2) Impede rather than assist the Department of Education in meeting its core mission;
- (3) Fall under the purview of the Board of Education, such as policy and programmatic decisions;
- (4) Are already mandated by federal law and do not require codification in state statute; and
- (5) Are covered by another section of the HRS, Hawaii Administrative Rules, or Board of Education policy.

Your Committee received testimony in support of this measure from the Office of the Governor, Board of Education, and Department of Education. Your Committee received comments on this measure from the Hawaii Government Employees Association, HGEA/AFSCME, Local 152, AFL-CIO; and one individual.

Your Committee finds that as a result of the constitutional amendment adopted in the 2010 general election, the Board of Education was required to transform from an elected board to an appointed board, with the appointments being made by the Governor. This change presents a unique opportunity to review sections of the HRS to determine if amending or reducing statutory restraints and requirements might assist the Board of Education and Department of Education in creating a more effective educational delivery system. This measure is consistent with S.C.R. No. 79 (2011), which requested that the Board of Education and Department of Education review applicable statutes to, in part, assist the Department of Education in meeting its core mission.

Your Committee further finds that the statutory revisions proposed by this measure do not diminish the role of the Legislature in overseeing the Department of Education and holding it accountable for the educational success of students but rather place certain decision making authority in the best place possible.

In addition, your Committee notes that deleting outdated or duplicative sections of chapter 302A, HRS, does not in any way suggest that the Department of Education does not have proper legal authority to implement those programs or activities covered by those deleted sections. Rather, the Legislature is placing decision making authority over those certain programs and activities at the proper level, whether at the policy making level or the administrative level.

Furthermore, your Committee urges the Department of Education to ensure that it has rules and policies in place to address the sections of chapter 302A, HRS, repealed by this measure.

Your Committee has amended this measure by:

- (1) Adding definitions of the terms “district”, “complex”, and “complex area”;
- (2) Amending the definition of “complex area superintendent”;
- (3) Repealing the definitions of “regional administrative unit” and “school complex”;
- (4) Amending section 4-1, HRS, to remove the establishment of educational districts to further clarify that the State is one unified school district;
- (5) Amending section 302A-604, HRS, to clarify that complex area superintendents are responsible for special education programs and special schools within their complex areas;
- (6) Amending 302A-1102, HRS, to repeal the authority to establish regional administrative units within the Department of Education;
- (7) Amending section 302A-1130.6, HRS, to clarify that all fees and charges collected from students or their parents or guardians for the loss, destruction, breakage, or damage of school textbooks, instructional materials, library books, equipment, or supplies shall be deposited into the textbook and instructional materials fee special account;
- (8) Amending section 302A-1143, HRS, and repealing section 302A-1142, HRS, to clarify that the complex of attendance, as defined and determined by the Department of Education, rather than school districts, shall be the region within which a person of school age is required to attend school, with certain exceptions;
- (9) Amending section 302A-1303.6, HRS, to clarify that charter schools may elect to receive funding based on the procedures and methodology used to calculate the weighted student formula allocation;
- (10) Retaining certain language in section 302A-1404, HRS, regarding the retention and expenditure of federal indirect overhead reimbursements;
- (11) Retaining sections 302A-1311 and 302A-1403, HRS, relating to appropriations for trust funds of the Department of Education and authority to secure federal funds, respectively;
- (12) Adding language to clarify that any existing rule, ordinance, executive order, directive, or provision in a collective bargaining agreement in existence on the effective date of this measure that is not consistent with this Act shall be amended to ensure that it includes language repealed by this measure; and
- (13) Making 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. 2540, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2540, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Nishihara). Noes, none. Excused, 2 (Slom, Taniguchi).

SCRep. 2028 Education on S.B. No. 2542

The purpose and intent of this measure is to clarify when a student may attend a school outside of the student's district.

Your Committee received testimony in support of this measure from the Department of Education. Your Committee received comments on this measure from the American Civil Liberties Union of Hawai'i.

Your Committee finds that there are several instances when a student may wish or need to attend school outside of the student's designated district. This measure will clarify when a student may do so.

Your Committee notes that this measure is one of several measures that make various housekeeping amendments to chapter 302A, Hawaii Revised Statutes. As this measure proceeds, your Committee notes that S.B. No. 2540, S.D. 1, proposes to eliminate certain references to the term "district" in chapter 302A, Hawaii Revised Statutes, in order to clarify that that State is one unified school district. As such, your Committee encourages further discussion on this issue as both measures go through the legislative process.

Your Committee has amended this measure by:

- (1) Removing the requirement that a geographic exception be requested by a parent; and
- (2) Adding language to clarify that a student may attend a school outside of the student's district if required by federal law.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2542, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2542, 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. 2029 Education on S.B. No. 2543

The purpose and intent of this measure is to:

- (1) Amend section 302A-1502.4, Hawaii Revised Statutes, relating to the Hawaii 3R's school repair and maintenance fund, for housekeeping and other purposes; and
- (2) Repeal section 302A-401.5, Hawaii Revised Statutes, relating to the Hawaii teacher cadet program fund.

Your Committee received testimony in support of this measure from the Office of the Governor and Hawaii 3R's. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that this measure will streamline section 302A-1502.4, Hawaii Revised Statutes, while still supporting the important work of Hawaii 3R's in repairing, remodeling, and restoring our public schools.

Your Committee further finds that the Hawaii teacher cadet program is no longer a viable entity and it requested that the Legislature repeal the Hawaii teacher cadet program fund.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2543 and recommends that 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 (Taniguchi).

SCRep. 2030 Human Services on S.B. No. 2317

The purpose and intent of this measure is to establish three new tax credits for caregivers:

- (1) A small business caregiver leave tax credit for a percentage of the payroll cost to a small business employer providing an employee with leave to serve as a caregiver;
- (2) A caregiver tax credit for the cost of providing care to a qualified care recipient; and
- (3) A caregiver educational cost tax credit for qualified educational costs of caregiver courses or programs.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii; ILWU Local 142; and the Policy Advisory Board of Elder Affairs. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that studies have shown that family caregivers incur significant financial costs, affecting their standard of living and future financial security. Tax credits would help mitigate the financial burden - the small business caregiver leave tax credit would reduce the financial burden on small business employers, making it viable for small business owners to allow their employees to provide needed care; the caregiver tax credits ease the financial burden of people who provide care for others, including relatives and people with certain disabilities; and the caregiver educational cost tax credit would make it possible for more caregivers to take advantage of the caregiving training courses or programs available in our 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. 2317 and recommends that 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. 2031 Judiciary and Labor on S.B. No. 2204

The purpose and intent of this measure is to increase the workers' compensation fee schedule for medical care, services, and supplies from one hundred ten to one hundred thirty percent of fees prescribed in the Medicare Resources Based Relative Value Scale applicable to Hawaii.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; the Hawaii Medical Association; the Hawaii Association for Justice; the Partners of the Orthopedic Associates of Hawaii, LLP; the International Longshore and Warehouse Union (ILWU) Local 142; the Hawaii Chapter of the American Physical Therapy Association; and nine private individuals. Testimony in opposition to this measure was submitted by the Department of Human Resources of the City and County of Honolulu; the Hawaiian Electric Co. Inc. and its subsidiaries, Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc.; the Hawaii Insurers Council; the American Insurance Association; and one private individual. The Department of Commerce and Consumer Affairs and the Department of Human Resources Development submitted comments.

Your Committee finds that it has become increasingly difficult to find doctors willing to accept patients covered by the workers' compensation fee schedule because of the resulting low reimbursement rates and increased paperwork associated with processing workers' compensation claims. Testimony indicates that many doctors do not have sufficient billing staff and are unable to hire additional staff to handle workers' compensation billing given the current level of reimbursement. A survey conducted by the Hawaii Medical Association found that over sixty-five percent of doctors, who previously accepted workers' compensation cases, now refuse to care for these injuries, even for their established patients.

Furthermore, low reimbursement rates restrict or delay an injured worker's access to immediate comprehensive medical care and management, which is a critical element in handling workers' compensation cases. Your Committee notes the number of testimony in support of this measure submitted by practicing physicians in Hawaii. As such, your Committee believes that increasing the workers' compensation fee schedule for medical treatment and services rendered to injured workers will increase the number of physicians willing to accept cases and thereby increase injured workers' access to care.

As affirmed by the record of votes of the members 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. 2204 and recommends that 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. 2032 (Majority) Judiciary and Labor on S.B. No. 2323

The purpose and intent of this measure is to provide a vehicle to implement pending collective bargaining agreements from a potential arbitration for bargaining unit 9.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the registered professional nurses under bargaining unit 9 are currently under talks to ratify their collective bargaining agreements. If an impasse occurs and an arbitration panel decides in favor of the nurses, funds will need to be made available for their new contracts. This measure serves as a vehicle for funds to be appropriated.

As affirmed by the record of votes of the members 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. 2323 and recommends that 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. 2033 (Majority) Judiciary and Labor on S.B. No. 2324

The purpose and intent of this measure is to provide a vehicle to implement pending collective bargaining agreements for bargaining units 2, 3, 4, 6, 8, and 13 as a result of the "favored nation" clause in the current collective bargaining agreements for those bargaining units.

Your Committee received testimony in support of this measure from Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that a "favored nation" clause in a collective bargaining agreement allows the union to renegotiate the terms of the agreement should another public union settle on terms that are more favorable. As a result, the Hawaii Government Employees Association is anticipating a need for funds pending the results of the Hawaii State Teachers Association and the United Public Workers Union collective bargaining agreement ratifications. If the terms of those agreements are more favorable, this measure will serve as vehicle for funds to be appropriated.

As affirmed by the record of votes of the members 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. 2324 and recommends that 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. 2034 Judiciary and Labor on S.B. No. 2209

The purpose and intent of this measure is to propose a constitutional amendment to require the Judicial Selection Commission to disclose the names of and certain information regarding active nominees and applicants to fill justice and judge vacancies.

Your Committee did not receive any written testimony regarding this measure.

Your Committee finds that the Judicial Selection Commission recently amended its rules to share statistical information about its processes, including general information about the total number of applicants, the breakdown of applicants and nominees by gender, experience, or other attributes that may be of interest to the public, or information about trends, such as increases or decreases in the number of applicants. This measure adopts these rule changes by amending the state constitution to explicitly require the disclosure of the names of and certain statistical information regarding active nominees and applicants, thereby increasing the transparency of the Commission's activities to the extent permitted by law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2209 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. 2035 (Majority) Judiciary and Labor on S.B. No. 2216

The purpose and intent of this measure is to:

- (1) Specify that property held by spouses in tenancy by the entirety shall continue to be treated as such after the transfer to a trust unless otherwise specifically provided by the trust instrument;
- (2) Limit the remedies available to creditors against transferred property; and
- (3) Define "spouse" to include partners in a civil union.

Your Committee received testimony in support of this measure from Honolulu Pride and two private individuals. Testimony in opposition to this measure was submitted by the Hawaii Bankers Association. The Department of the Attorney General; and the Gay, Lesbian, Bisexual and Transgender Caucus of the Democratic Party of Hawaii submitted comments.

Your Committee finds that a debt of one spouse or reciprocal beneficiary may not be enforced against property titled as tenancy in the entirety. From an estate planning standpoint, it is often advisable to create revocable trusts for spouses or reciprocal beneficiaries in order to avoid probate and minimize estate taxes. However, under existing law, spouses or reciprocal beneficiaries are forced to choose between the creditor protections offered by a tenancy in the entirety arrangement or foregoing those protections in favor of setting up and properly funding estate planning trusts. This measure amends the law to prevent couples from having to make this sometimes difficult choice.

Your Committee recognizes that the language of this measure needs further streamlining and encourages the attorneys from the Judiciary's Committee on the Uniform Probate Code and Probate Court Practices, the Department of the Attorney General, and the Hawaii Bankers Association to work on language, especially with respect to when spouses divorce after the transfer of property to a specified trust, as the measure moves through the legislative process.

Your Committee has amended this measure by deleting the definition for "spouse" to avoid any unintended consequences of affecting the interpretation of other statutes, and to ensure that partners in a civil union are included in the interpretation as originally intended.

As affirmed by the record of votes of the members 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. 2216, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2216, 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, 2 (Gabbard, Slom). Excused, none.

SCRep. 2036 Commerce and Consumer Protection on S.B. No. 2766

The purpose and intent of this measure is to update the Insurance Code as it relates to entities regulated by the Insurance Division of the Department of Commerce and Consumer Affairs.

Your Committee received testimony in support of this measure from the Insurance Division of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from Hawaii Medical Service Association.

Your Committee finds that this measure provides clarity to the licensing and regulation process by removing or revising certain provisions in the Insurance Code that relate to the licensing and regulation of mutual benefit societies and health maintenance organizations. Your Committee further finds that this measure also updates fees and financial regulations in the Insurance Code, thus promoting consistency with the laws governing traditional insurance companies.

Your Committee has amended this measure by:

- (1) Specifying that the Insurance Commissioner, prior to revoking a certificate of authority, shall provide a mutual benefit society with written notice of a delinquency of certificate renewal and imposition of a penalty;
- (2) Authorizing the Insurance Commissioner to revoke a certificate of authority if the renewal fee and penalty are not paid within the thirty days immediately following the provision of written notice of a delinquent renewal, rather than within thirty days of the renewal date;
- (3) Deleting the provisions in the measure relating to service contracts; 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. 2766, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2766, 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. 2037 Commerce and Consumer Protection on S.B. No. 2770

The purpose and intent of this measure is to clarify and strengthen enforcement provisions for exempt out-of-state collection agencies and increase penalties for violations by all collection agencies governed under chapter 443B, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs.

Your Committee finds that the number of exempt out-of-state collection agencies operating in Hawaii has doubled since 2004, while the number of registered collection agencies has remained relatively stable. Exempt out-of-state collection agencies may operate in a limited capacity, without registration and bonding, and without maintaining a local address. Your Committee further finds that the exemption from collection agency law was originally enacted to afford Hawaii-registered collection agencies reciprocity with other participating states.

Your Committee notes that the amendments proposed by this measure will allow the Department of Commerce and Consumer Affairs to adequately oversee the growing number of exempt out-of-state collection agencies in a manner that protects Hawaii's consumers and preserves the reciprocal benefits of exempt agencies.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2770 and recommends that 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 (Galuteria).

SCRep. 2038 (Majority) Commerce and Consumer Protection on S.B. No. 2752

The purpose and intent of this measure is to authorize the Public Utilities Commission to allow electric utility companies to recover all non-energy power purchase costs that have been approved by the Commission.

Your Committee received testimony in support of this measure from the Public Utilities Commission; Hawaiian Electric Company, Inc.; Maui Electric Company, Limited; Hawaii Electric Light Company, Inc.; Blue Planet Foundation; and Hawaii Renewable Energy Alliance. Your Committee received testimony in opposition to this measure from Friends of Lana'i and one individual.

Your Committee finds that credit agencies impute debt associated with power purchase contracts when establishing a utility's credit rating. Credit ratings measure credit risk and can have an impact on the cost of capital to an electric utility company and the cost of power purchase contracts. Your Committee further finds that these costs ultimately impact the cost of electricity to customers, as the costs of financing and purchased power are recoverable in customers' rates.

Your Committee additionally finds that this measure will reduce the imputed debt levels of local electric utility companies, thus enhancing the financial strength and credit ratings of the companies. Fiscally strong electric utility companies can ultimately benefit electric utility customers in the form of cheaper rates from lower costs of capital.

Your Committee has amended this measure by:

- (1) Clarifying the effects of independent power purchase contracts from a credit rating agency perspective and a credit rating agency's reason for imputing debt;
- (2) Clarifying which power purchase costs arising out of power purchase agreements are allowed to be recovered by an electric utility company and how they may be recovered; 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. 2752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2752, 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 (Solomon). Noes, 1 (Slom). Excused, none.

SCRep. 2039 Commerce and Consumer Protection on S.B. No. 2184

The purpose and intent of this measure is to permanently prohibit private transfer fees by eliminating the repeal date of Act 169, Session Laws of Hawaii 2010.

Your Committee received testimony in support of this measure from the Hawaii Association of Realtors and one individual.

Your Committee finds that private transfer fees are fees imposed by private parties, through deed restrictions or covenants, on transferees of real property in connection with future conveyances of the property. Private transfer fees may be imposed as part of a new housing development on the initial and subsequent purchasers of a property.

Your Committee further finds that private transfer fees may create significant barriers to homeownership. The Legislature passed Act 169, Session Laws of Hawaii 2010, in response to concerns over private transfer fees and their potential negative impacts on homeownership and property values. Your Committee additionally finds that as of October 2011, thirty-three states have either banned or placed conditions on the use of private transfer fees. Accordingly, your Committee concludes that a permanent prohibition on the use of private transfer fees in the State is justified and appropriate.

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. 2184 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. 2040 Commerce and Consumer Protection on S.B. No. 2444

The purpose and intent of this measure is to implement amendments to article 9 of the Uniform Commercial Code, as set forth by the Commission to Promote Uniform Legislation.

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 Hawaii Bankers Association.

Your Committee finds that article 9 of the Uniform Commercial Code was substantially revised in 1998. In 2010, amendments were proposed that modified the existing article 9 to respond to filing issues and other matters that arose after a decade of experience with the revised article 9.

Your Committee further finds that the amendments contained in this measure provide greater clarity regarding the name of an individual debtor to be provided on a financing statement, improve the filing system for financing statements, and provide greater protection for an existing secured party with a security interest in after-acquired property upon a relocation or merger of its debtor.

Your Committee notes that this measure will allow Hawaii's version of article 9 of the Uniform Commercial Code to be consistent with article 9 as it has been adopted in other jurisdictions. This consistency is necessary to avoid conflicts and confusion with respect to interstate transactions.

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. 2444, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2444, 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. 2041 Commerce and Consumer Protection on S.B. No. 2758

The purpose and intent of this measure is to correct errors, ambiguities, and inconsistencies in the business registration chapters of the Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Community Foundation, Hawaii Alliance of Nonprofit Organizations, and University of Hawaii Professional Assembly.

Your Committee finds that the technical amendments proposed by this measure will bring the Hawaii Revised Statutes into compliance with Act 55, Session Laws of Hawaii 2009. The amendments proposed by this measure clarify acceptable written confirmations for reinstatement of a business entity by the Department of Commerce and Consumer Affairs; address other issues in the business registration chapters of the Hawaii Revised Statutes; make technical corrections to the Hawaii Nonprofit Corporations Act, including when a nonprofit corporation's articles of incorporation may be submitted; and clarify when foreign limited liability companies can file in Hawaii.

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. 2758 and recommends that 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. 2042 Commerce and Consumer Protection on S.B. No. 2767

The purpose and intent of this measure is to update the Insurance Code in conformity with the National Association of Insurance Commissioners' model acts relating to guaranty associations.

Your Committee received testimony in support of this measure from the Insurance Division of the Department of Commerce and Consumer Affairs, American Council of Life Insurers, Hawaii Life and Disability Insurance Guaranty Association, and Hawaii Insurance Guaranty Association.

Your Committee finds that the amendments proposed by this measure will improve the operations of insurance guaranty associations by providing for greater uniformity among states and facilitating greater coordination among Hawaii's various guaranty associations. Your Committee further finds that this measure will provide additional benefits to the State's insurance consumers and will allow the Hawaii Guaranty Association system to fulfill its statutory mandate of protecting Hawaii policyholders and consumers.

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. 2767, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2767, 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. 2043 Tourism on S.B. No. 2089

The purpose and intent of this measure is to require:

- (1) Any nonresident owner who operates a transient accommodation located in the nonresident owner's private residence, including an apartment, unit, or townhouse, to employ a property manager approved by the Real Estate Commission;
- (2) The nonresident owner to furnish the name, address, and contact information of the property manager to any association of homeowners, community association, condominium association, cooperative, or any other nongovernmental entity with covenants, bylaws, and administrative provisions with which the owner's compliance is required; and
- (3) Any property manager authorized under an agreement by the nonresident owner to collect rent on behalf of the nonresident owner to comply with general excise tax and transient accommodations tax requirements.

Your Committee received testimony in support of this measure from the Department of Taxation; Department of Planning and Permitting, County of Honolulu; Exclusive Gateways; Whalers Realty Management Company, Inc.; Kauai Exclusive Management; Resortica Hawaii; Save Oahu's Neighborhoods; and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Association of REALTORS, Hawaii Vacation Rental Owners Association, and eleven individuals. Your Committee received comments on this measure from the Hawaii Tourism Authority and the Real Estate Commission.

Your Committee finds that with the advent of the Internet, there has been a significant increase of rental-by-owner activities occurring outside the State through internet bookings. These nonresident owners may or may not charge general excise and transient accommodations taxes on their reservations, and even if they do, they may not remit the taxes to the State. Since the transactions take place outside of Hawaii, it is difficult to determine how many violations occur and the resulting revenue loss to the State.

Your Committee understands that the lack of information hampers compliance efforts by the Department of Taxation, but points out that the problem is not a new one, and greater efforts must be made by the Department. Your Committee notes that the Hawaii Tourism Authority published a study in 2005 on the scope of the problem – estimating 9,000 units in noncompliance at the time – and that this information was shared with the Department.

Your Committee also finds that in addition to the tax ramifications addressed in this measure, nonresident owners who do not employ a Hawaii-based property manager leave their guests vulnerable in the case of emergencies or natural disasters, such as the tsunami alert in 2011, when absent owners do not provide appropriate and easily accessible emergency information. While this concern is not addressed in this measure, it further stresses the need for a Hawaii-based property manager.

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. 2089 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 (Slom). Noes, none. Excused, none.

SCRep. 2044 Tourism on S.B. No. 2114

The purpose and intent of this measure is to make the annual \$33,000,000 limit on the allocation of transient accommodations tax revenues to the convention center enterprise special fund apply on a fiscal year, rather than a calendar year, basis.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, Department of Taxation, and Hawaii Tourism Authority.

Your Committee finds that the amount of the transient accommodations tax revenue allocated for the convention center enterprise special fund is limited to \$33,000,000 per calendar year. A problem arises as a result of the limits on the deposits into the special fund because the limit is applied on a calendar year basis, but expenditures from the fund are made on a fiscal year basis. In some years, the \$33,000,000 limit is achieved in the third month of the fiscal year, October, and no further revenues are deposited into the fund until the new calendar year. This results in a short-fall in the fund's ability to pay the debt service for the convention center.

This measure will address the problem by providing for the receipt of transient accommodations tax revenues in each month during 2012 and the early months of 2013.

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. 2114 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2045 (Majority) Tourism on S.B. No. 3017

The purpose and intent of this measure is to clarify that the daily \$10 tax on a transient accommodation furnished on a complimentary or gratuitous basis includes transient accommodations furnished without tangible industry development or promotional purposes, but does not include transient accommodations furnished as part of a tourism industry promotional or marketing activity.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority and the Hawaii Lodging & Tourism Association. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the intent of this measure is to provide greater certainty regarding the specific types of transient accommodations that are considered complimentary or gratuitous, and subject to the daily \$10 tax. Your Committee understands that there has been some uncertainty in the tourism industry since the law to tax complimentary or gratuitous transient accommodations was enacted in 2011, and the Department of Taxation responded with Tax Information Release No. 2011-05, to clarify the issue.

After reviewing the Tax Information Release, your Committee believes that further discussion may be necessary to ensure that the terminology is clear. The Department of Taxation, the Hawaii Tourism Authority, and representatives of the tourism industry have indicated they are willing to work on refining the language in this measure, and your Committee believes that a consensus can be reached as this measure moves through the legislative process.

Your Committee has amended this measure by deleting rewards programs from those transient accommodations considered complimentary or gratuitous, as those rewards programs are taxed under existing law.

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. 3017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3017, S.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. 2046 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on S.B. No. 2340

The purpose and intent of this measure is to require the Department of Transportation to report to the Legislature on providing the best and most modern security technology at Hawaii's harbors and airports to detect and prevent terrorist activity.

Your Committees received testimony in support of this measure from one individual. Testimony in opposition was submitted by the State Department of Transportation.

Your Committees find that the department of transportation will realize cost savings with greater security by implementing the best and most modern security technology, including video surveillance, access control systems, sensors, motion detectors, radar, sonar, and other systems and technologies. Security is particularly important to protect the tourism industry from the impacts of terroristic activity.

Your Committees are mindful that sensitive information should not be put out for public viewing for fear of alerting would-be saboteurs. Testimony indicated that the Department of Transportation has up-to-date information on the state of security at harbors and airports and would be willing to share this information in private with lawmakers. However, your Committees believe that this issue is important enough to warrant a public report. Your Committees trust that the Department of Transportation can protect sensitive information in that reporting process.

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. 2340 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 (Dela Cruz, Kidani).

SCRep. 2047 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on S.B. No. 2447

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 Committees received testimony in support of this measure from Enterprise-Rent-A-Car, Alamo-Rent-A-Car, National Car Rental and Hawaii Automobile Dealers' Association. Testimony in opposition was submitted by the State Department of Transportation and the Honolulu Department of Customer Services.

Your Committees find that new cars sold within the State of Hawaii are typically covered under warranties lasting a minimum of three years or thirty-six thousand miles. As 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 unnecessary burden on drivers of new cars.

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. 2447 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 (Ryan). Noes, none. Excused, 3 (Dela Cruz, Kidani, Kouchi).

SCRep. 2048 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on S.B. No. 2518

The purpose and intent of this measure is to:

- (1) Extend the validity of the driver's license of an accompanying dependent of an active duty member of the United States Armed Forces that expires while the member is deployed overseas; and
- (2) Authorize any active duty member of the United States Armed Forces or accompanying dependent to use a valid Status of Forces Agreement driver's license until receipt of a valid state-issued driver's license, if the member or dependent's driver's license expired while the member was deployed overseas.

Your Committees received testimony in support of this measure from the Honolulu Department of Customer Services and three individuals. Testimony in opposition was submitted by one individual.

Your Committees find that the Status of Forces Agreement is valid only during the period that a state-issued driver's license is valid and only while the servicemember or servicemember's dependent is stationed in a foreign country. It is not the intent of your Committees to impose hardship on deployed servicemembers or their dependents, but federal law supersedes state law.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the reference to "in-country" in the title of section 286-106.5, Hawaii Revised Statutes; and
- (2) Deleting the provision that allows the use of a Status of Forces Agreement after the expiration of a driver's license.

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. 2518, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2518, 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 (Dela Cruz, Kidani).

SCRep. 2049 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on S.B. No. 2625

The purpose and intent of this measure is to abolish the requirement that certain vehicles obtain an annual certificate of inspection.

Your Committees received testimony in support of this measure from two individuals. Testimony in opposition was submitted by the State Department of Transportation, Honolulu Police Department, and Honolulu Customer Services Department.

Your Committees find that annual vehicle certificates of inspection may not be necessary. Recently, some jurisdictions throughout the nation have cut or proposed to cut vehicle safety inspection programs or have exempted certain vehicles from safety inspections. Advocates for the repeal of safety inspection programs or the exemption of new motor vehicles from inspection requirements cite a lack of evidence that safety inspections save lives and question whether inspections of new vehicles is cost efficient.

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. 2625 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, 8, Ayes with Reservations (Baker, Espero, Gabbard, Ryan). Noes, none. Excused, 2 (Dela Cruz, Kidani).

SCRep. 2050 (Joint/Majority) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on S.B. No. 2959

The purpose and intent of this measure is to authorize a county with a population greater than five hundred thousand that adopts a county surcharge on state tax ordinance to use at least one percent of the surcharge to fund transit enhancements.

Your Committees received testimony in support of this measure from the Honolulu Department of Planning and Permitting and one individual. Comments were received from Honolulu Authority for Rapid Transportation and Tax Foundation of Hawaii.

Your Committees find that transit enhancement projects are designed to foster more livable communities, preserve and protect environmental and cultural resources, and promote alternative modes of transportation. A successful rapid transit system requires several supportive policies and programs. In addition to timely and dependable service, it must also connect people to where they want to go. As part of this connectivity, there needs to be adequate walkways, bikeways, and connections to and from transit stations. This multi-modal system needs to be not only safe and convenient, but it must also be part of the strategy of upgrading and enhancing the

neighborhoods it serves. The transit enhancement elements under this measure would help integrate the transit system into the communities it services.

Your Committees have amended this measure on the recommendation of the Honolulu Authority for Rapid Transportation by:

- (1) Clarifying the purpose section to indicate the mandatory for expenditure of funds on certain enhancements under this measure;
- (2) Deleting references to the use of the surcharge revenue for preservation of certain historic structures and for bus shelters, since these uses may conflict with section 46-16.8, Hawaii Revised Statutes, prohibiting the use of the surcharge to support public transportation systems already in existence prior to July 12, 2005; and
- (3) Clarifying that the use of surcharge revenue for enhancements to accessibility for persons with disabilities does not require more access than is required by the Americans with Disabilities Act.

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. 2959, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2959, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kidani).

SCRep. 2051 Hawaiian Affairs on S.B. No. 2268

The purpose and intent of this measure is to modify the memorial statue of Queen Liliuokalani on the grounds of the State Capitol to bear the years of her coronation and death, rather than the years of her coronation and the overthrow of the Government of Hawaii, as the inscription currently reads.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, the State Foundation on Culture and the Arts, and the Association of Hawaiian Civic Clubs. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that Queen Liliuokalani's kingdom was overthrown with the aid of the United States military, and she was imprisoned in her own palace. Despite the political turmoil and personal distress that marked the Queen's reign, Queen Liliuokalani never relinquished her sovereignty and remained the monarch of the Hawaiian Kingdom until her death.

Your Committee notes that testimony from the Executive Director of the State Foundation on Culture and the Arts indicates that the Department of Accounting and General Services has a sufficient sum of money and the necessary expertise to modify the statue according to this measure.

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. 2268 and recommends that 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. 2052 (Majority) Hawaiian Affairs on S.B. No. 2386

The purpose and intent of this measure is to establish that verification documents submitted by individuals seeking to be included on the roll of qualified Native Hawaiians shall not be disclosed and shall constitute information in which an individual has a significant privacy interest.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs; the Executive Director of the Native Hawaiian Roll Commission, Clyde Namu'o; the Chairperson of the Native Hawaiian Roll Commission, John Waihe'e; the Association of Hawaiian Civic Clubs; and the Aha Moku Advisory Committee. Your Committee received testimony in opposition to this measure from Aupuni O Hawaii. Your Committee received comments on this measure from the Office of Information Practices.

Your Committee recognizes the privacy concerns of individuals registering with the Native Hawaiian Roll Commission. Those individuals must submit verification documents that may include names of persons from whom lineal descent can be verified; birth, marriage, or death certificates; statements of kamaaina witnesses; contact information; and birth dates and other personal identification numbers. Unless the confidentiality of those verification documents and information is established by law, any person could obtain access to those sensitive verification documents and information through a records request.

Your Committee finds that prospective registrants should not have to choose between maintaining their family and personal privacy and exercising their civic right to participate in reconstituting a Native Hawaiian government.

Your Committee further finds that the measure as drafted may not prevent the disclosure of verification documents and information. The Office of Information Practices testified that specifying that verification documents and information are documents in which an individual has a significant privacy interest could create an ambiguity as to whether the Legislature intended the information to be disclosed if the public interest in disclosure outweighs the privacy interest. Your Committee firmly believes that the verification documents and information should not be subject to disclosure on the basis of a balancing test, and further finds that there is no public interest in disclosing this information.

Your Committee has therefore adopted the amendments recommended by the Office of Information Practices, to ensure the confidentiality of verification documents and information as follows:

- (1) In section 1 of the measure, deleting the language stating that the verification documents shall be subject to section 92F-14, Hawaii Revised Statutes; and

- (2) Deleting section 3 of the measure, which listed the verification information and documents as an example of information in which an individual has a significant privacy interest.

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. 2386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2386, 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, 1 (Hee).

SCRep. 2053 Public Safety, Government Operations, and Military Affairs on S.B. No. 2249

The purpose and intent of this measure is to require the Department of Public Safety to permit committed persons, at the Director of Public Safety's discretion, to create products and crafts for sale including photographs, paintings, drawings, sewn items, crocheted items, woodwork, and other items deemed sellable by the Director.

Your Committee received testimony in support of this measure from Tahirih Association, Fishnet Ministries International, and three individuals. Comments were received from the Department of Public Safety.

Your Committee finds that allowing the sale of prison arts and crafts would create an incentive to engage in these activities, which are a valuable rehabilitation tool. Under this measure, a person making arts or crafts can generate proceeds from the sale of those arts and crafts, twenty-five percent of which shall be deposited into the fund of the person's facility for re-entry or rehabilitation services or programs.

Your Committee has amended this measure by:

- (1) Deleting the prohibition on the creation of items that relate to the person's crime;
- (2) Requiring that twenty-five percent of the proceeds be deposited into the crime victim compensation special fund;
- (3) Requiring the Department of Public Safety to conduct a study to ascertain the practices of correctional facilities in other states with regard to the making and sale of arts and crafts by inmates, including the means by which the items are sold, the price of the articles, and the allocation of proceeds from sales, and report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013; and
- (4) Making a conforming statutory amendment.

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. 2249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2249, S.D. 1, and be 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. 2054 Public Safety, Government Operations, and Military Affairs on S.B. No. 2394

The purpose and intent of this measure is to authorize the Director of Commerce and Consumer Affairs to enforce certain federal laws that protect military members and their families from abusive lending practices.

Your Committee received testimony in support of this measure from the Office of Consumer Protection; United States Department of Defense; Military Officers Association of America, Hawaii Chapter; Oahu Veterans Center; and The Chamber of Commerce of Hawaii.

Your Committee finds that members of our armed forces and their dependents have enough to worry about, including multiple overseas deployments, coping with a spouse's prolonged absence from home, and the lack of an adequate support system while residing on military bases throughout the country. This can lead to a great deal of emotional and financial stress.

Your Committee believes that service members and their families may be particularly vulnerable to unscrupulous lenders who may charge excessive fees and interest rates, make loans without regard to the borrower's ability to repay, refinance a borrower's loans repeatedly over a short period of time without any gain for the borrower, and commit outright fraud or deception.

This measure allows the Office of Consumer Protection to enforce certain federal laws that protect military members from predatory and unscrupulous lending practices that appear to target military personnel.

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. 2394, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2394, 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 (Baker).

SCRep. 2055 Public Safety, Government Operations, and Military Affairs on S.B. No. 2397

The purpose and intent of this measure is to prohibit counties from requiring installation or retrofitting of automatic fire sprinklers in new or existing one- or two-family dwelling units used only for residential purposes.

Your Committee received testimony in support of this measure from the Building Industry Association; Complete Construction Services Corp.; The Pacific Resource Partnership; Alan Shintani Inc.; Hawaii Farm Bureau Federation; The Gentry Companies; RMA Sales; Hawaii Aquaculture & Aquaponics Association; and one individual. Testimony in opposition was received from the State Fire Council, Honolulu Fire Department, Maui Fire Department, Kaua'i Fire Department, National Fire Protection Association, Plumbing & Mechanical Contractors Association of Hawaii, and The Plumbers and Fitters Union, Local 675.

Your Committee finds that the mandatory installation of automatic fire sprinklers is unnecessary at this time because new homes are built with better fire safety measures; fire sprinklers are not cost-effective; targeted fire safety education programs work; fire sprinklers have not been proven to enhance the safety of occupants; and if a homeowner wants to install a fire sprinkler, that option should be left to the homeowner.

Your Committee has amended this measure by changing the effective date to January 1, 2025, to ensure 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 S.B. No. 2397, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2397, S.D. 1, and be referred to the Committee on Water, Land, and Housing.

Signed by the Chair on behalf of the Committee.

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

SCRep. 2056 Public Safety, Government Operations, and Military Affairs on S.B. No. 2489

The purpose and intent of this measure is to:

- (1) Establish an employer income tax credit for taxpayers who maintain employee insurance coverage for National Guard members for the duration of the call to active duty;
- (2) Expand the reasons for which the Governor or the Governor's designated representative may call the National Guard into active service;
- (3) Authorize the Adjutant General to order the National Guard or other component of the militia into active service for certain nonemergency purposes; and
- (4) Incorporate certain rights granted to the National Guard under certain federal laws into statute.

Your Committee received testimony in support of this measure from the Oahu Veterans Center. Comments were received from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that members of the National Guard who are called into active service should enjoy continued employee insurance coverage while deployed on active duty. This is particularly critical to dependents of the members of the National Guard with regard to health insurance. Your Committee further finds that the Governor and Adjutant General should have greater authority to utilize the National Guard for assistance in various circumstances, including cases of public disaster or danger from flood, fire, storm, earthquake, civil disturbances, or terrorist events.

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. 2489, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2489, S.D. 1, 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 (Baker).

SCRep. 2057 Public Safety, Government Operations, and Military Affairs on S.B. No. 2583

The purpose and intent of this measure is to require a person to possess certain prior military experience in Hawaii to be eligible for appointment as the Adjutant General.

Your Committee received testimony in support of this measure from the Adjutant General and one individual.

Your Committee finds that Hawaii's close association with the Pacific Command and the subordinate component headquarters, as well as relationships developed among state, local, and federal law enforcement officers and first responders, make prior experience with the Hawaii National Guard essential to the effectiveness of the Adjutant General.

Your Committee has amended this measure by clarifying that the requisite experiential qualification, among the other experience requirements for appointment, is a commission of a grade O5 or above, rather than of a federally recognized field officer.

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. 2583, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2583, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 2058 (Joint) Public Safety, Government Operations, and Military Affairs and Education on S.B. No. 2584

The purpose and intent of this measure is to:

- (1) Expand the existing tuition assistance program to qualified Hawaii National Guard members to include students working toward any degree at the University of Hawaii, with priority given to students working toward their undergraduate degrees; and
- (2) Appropriate funds to provide tuition assistance to students who are members of the Hawaii National Guard.

Your Committees received testimony in support of this measure from the Adjutant General and University of Hawai'i System.

Your Committees find that all states offer some form of tuition assistance to members of the National Guard who pursue a college degree. Of the fifty states, approximately half of the states offer up to one hundred percent tuition assistance at in-state or state-supported colleges or universities.

Your Committees are intent on providing National Guard members with the opportunity to improve themselves and their community, as National Guard members have provided outstanding service to the State and country. Your Committees note that this measure serves as a valuable recruiting tool and an incentive for highly trained members to remain in the National Guard.

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. 2584 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 1 (Ryan).

SCRep. 2059 (Joint/Majority) Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on S.B. No. 2225

The purpose and intent of this measure is to impose certain limitations and conditions on in forma pauperis prisoner lawsuits.

Your Committees received testimony in support of this measure from the Department of Public Safety and State Attorney General. Testimony in opposition was received from the Community Alliance on Prisons and American Civil Liberties Union of Hawai'i.

This measure is patterned after the federal Prison Litigation Reform Act, which was enacted in 1996. This measure requires a prisoner who is seeking to file a lawsuit in forma pauperis to submit financial documents certified by the detaining facility indicating the prisoner's inability to pay the filing fees for the lawsuit or appeal. The proposed procedure, among other things, requires inmates seeking in forma pauperis status to pay a portion of the filing fee when funds are available in the inmate's trust account.

Your Committees find that this measure balances a prisoner's right to file complaints or litigation with the need to eliminate frivolous and unnecessary litigation, and reduces the costs associated with the litigation of prisoner lawsuits. However, your Committees caution the courts to protect basic constitutional rights to counsel in deciding whether to authorize an inmate to proceed in forma pauperis, depending on the nature of the proposed action.

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 S.B. No. 2225 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, 1 (Ryan). Excused, 1 (Gabbard).

SCRep. 2060 (Joint) Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on S.B. No. 2253

The purpose and intent of this measure is to establish the Hawaii's opportunity parole with enforcement pilot program.

Your Committees received testimony in support of this measure from the Community Alliance on Prisons, American Civil Liberties Union of Hawai'i, and one individual. Comments were received from the Hawaii Paroling Authority and one state judge.

Your Committees find that the Hawaii's opportunity probation with enforcement program, better known as HOPE, has been a proven success for probationers as evidenced by declining recidivism rates and parole revocations. This measure creates a pilot project for parolees that is modeled after the HOPE program.

Under conventional probation systems, violations by probationers, such as failing to appear for scheduled appointments with their probation officers, typically go unpunished for months or years until the violations accumulate to the point that the probationer faces severe consequences, including revocation of probation and being sentenced to a long prison term. Under the HOPE program, however, sanctions are imposed for each probation violation, and although the sanctions may be relatively minor, they are imposed immediately after each violation, rather than months or years after a violation.

Your Committees find that HOPE participants, as compared to non-participants, are fifty-five percent less likely to be arrested for a new crime, seventy-two percent less likely to use drugs, sixty-one percent less likely to miss appointments with their supervisory officer, fifty-three percent less likely to have their probation revoked, and sentenced to on average, forty-eight percent fewer days of incarceration.

Your Committees believe that the success of the HOPE program warrants replication and expansion into opportunities for parole enforcement.

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 S.B. No. 2253 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 1 (Gabbard).

SCRep. 2061 (Joint) Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on S.B. No. 2261

The purpose and intent of this measure is to:

- (1) Establish a permanent weed and seed program within the Department of Labor and Industrial Relations to continue the program's success; and
- (2) Appropriate funds to maintain current operations of the weed and seed program and expand the weed and seed program into other areas of the State.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations; State Department of Education; Hawaii Public Housing Authority; Office of Community Services; Honolulu Police Department; Meridian Pacific, Ltd.; The Gentry Companies; Haseko Development, Inc.; Hawaii's Most Wanted Magazine; Kalihi Baptist Church; and thirty-one individuals.

Your Committees find that the weed and seed program works with local law enforcement to prevent, control, and reduce violent crime, drug abuse, and gang activity in targeted neighborhoods by "weeding" out the criminal element in the community. Community policing involves police officers working closely with community residents to develop solutions to violent and drug-related crimes. "Seeding" the community involves collaboration among various human services organizations to implement prevention, intervention treatment, and neighborhood revitalization projects, programs, and activities.

Your Committees also find that the State has benefited greatly from the weed and seed program, most notably at sites on Oahu that encompass Kalihi-Palama, Chinatown, Downtown Honolulu, Ala Moana, Sheridan, McCully, Waipahu, and Ewa Beach. Since the implementation of the program, crime in those areas has decreased significantly. Your Committees find that the weed and seed program's success warrants the continued operation of weed and seed and envision the expansion of the program to other communities in the future.

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 S.B. No. 2261 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8, Ayes with Reservations (Kidani). Noes, none. Excused, 1 (Gabbard).

SCRep. 2062 Judiciary and Labor on H.B. No. 245

The purpose and intent of this measure is to increase the per diem payments of out-of-state witnesses in criminal cases to support and encourage out-of-state witnesses to return to Hawaii to participate in the prosecution of those cases.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu; and Department of the Prosecuting Attorney of the County of Maui. The Department of Budget and Finance submitted comments.

Your Committee finds that the last time the Legislature increased the per diem payment for out-of-state witnesses was in 1989. This amount is no longer sufficient for out-of-state witnesses to pay for their personal expenses, such as for food and lodging, and discourages or prevents out-of-state witnesses from returning to the State to testify against offenders. Furthermore, the per diem amount for witnesses who are required to travel to and stay overnight on another island to attend a state court is also insufficient. Increasing the per diem payment for out-of-state witnesses from \$110 to \$145 per day and providing an additional \$90 per day for witnesses who are required to travel and stay overnight on another island will support and encourage out-of-state witnesses to testify and enable the prosecution of important cases.

Your Committee believes that the sufficiency of the increased per diem payments for out-of-state witnesses is an issue that merits further discussion by the Committee on Ways and Means.

Your Committee has amended this measure by changing the effective date from January 7, 2050, to July 1, 2012.

As affirmed by the record of votes of the members 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. 245, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 245, 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. 2063 Judiciary and Labor on H.B. No. 238

The purpose and intent of this measure is to create special sentencing provisions for a first time temporary restraining order offender who has a prior conviction for a specified felony offense committed against a family or household member.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu. Testimony in opposition to this measure was submitted by the Office of the Public Defender. The Department of the Attorney General submitted comments.

Your Committee finds that existing law requires a person who has a first conviction for a violation of a temporary restraining order to serve a minimum jail sentence of forty-eight hours and be fined no less than \$150 and no more than \$500. Adding a minimum jail sentence of fifteen days and a fine of no less than \$150 and no more than \$600 for a first time violation of a temporary restraining order offender with a prior conviction for certain felony offenses against a family or household member will aid in the reduction of domestic violence cases.

Your Committee has amended this measure by:

- (1) Changing the effective date from January 7, 2059, to July 1, 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 238, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 238, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 2064 Judiciary and Labor on S.B. No. 2062

The purpose and intent of this measure is to place limitations on the parental discipline defense while maintaining a parent's general right to safeguard and promote the welfare of the child.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, and one private individual. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds the parental discipline defense is intended to limit the amount of force that parents and guardians can legally use in disciplining their children to the extent the force is reasonable or moderate. However, the courts have held that the plain language of the law specifically ties the defense to the nature of the force used as opposed to the result of the force used. As such, the courts have upheld the parental discipline defense as justifiable in cases where the parent or guardian acted with the purpose of deterring or punishing the minor's misconduct without the intent or knowledge that their actions would cause substantial bodily injury, or extreme pain or mental distress. The Department of the Prosecuting Attorney of the City and County of Honolulu testified that as a result, the courts have set the bar for unjustifiable discipline so high that many cases have applied the parental discipline defense to permit disciplinary action that would be considered unacceptable by the public. Thus, this measure aims to establish reasonable limitations to the parental discipline defense while maintaining a parent's general right to safeguard and promote the welfare of the child.

Your Committee notes the testimony submitted by the Office of the Public Defender indicating concerns regarding the vagueness in applying the limitations to the parental discipline defense and thereby potentially causing confusion among litigants in court. Your Committee recognizes that this measure deals with child abuse issues that merit further discussion as this measure proceeds through the legislative process.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2062, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2062, S.D. 1, and be 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 (Ihara).

SCRep. 2065 Judiciary and Labor on S.B. No. 2218

The purpose and intent of this measure is to propose a constitutional amendment to increase the residency requirements for candidates for a seat in the state Senate or House of Representatives by requiring the candidates to be residents of the State for not less than five years and residents of the district from which they seek to be elected for not less than twelve consecutive months prior to the next succeeding general election.

Your Committee received testimony in support of this measure from the Iron Workers Stabilization Fund. Testimony in opposition to the five-year residency requirement was submitted by the League of Women Voters of Hawaii. One private individual submitted comments.

Your Committee finds that while the state constitution requires that state Senate and House of Representatives candidates be residents of the State for at least three years, candidates are not required to be residents of the legislative districts they are seeking to represent. Thus, it is possible for a candidate to express an intention to move into a senatorial or representative district prior to filing nomination papers without possessing sufficient knowledge of the issues concerning the voters of the district the candidate seeks to represent.

Your Committee recognizes that a person may have more than one residence, but only one domicile. Generally, a domicile is a person's legal home where the person has physical presence with the intention to make it the person's true, fixed, and permanent home. Requiring candidates to be domiciled within the district they seek to represent provides greater assurance to voters that candidates

listed on the ballot are knowledgeable about issues affecting not only the entire State, but also the district that the candidates seek to represent.

Your Committee has amended this measure by:

- (1) Deleting the requirement that a candidate be a resident of the State for five years, thereby retaining the minimum state residency requirement of three years;
- (2) Amending the legislative district residency requirement by requiring a candidate to be domiciled in, rather than reside in, the legislative district that the candidate seeks to represent; 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. 2218, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2218, 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 (Gabbard, Ihara, Slom). Noes, none. Excused, none.

SCRep. 2066 Judiciary and Labor on S.B. No. 2058

The purpose and intent of this measure is to add certain felonies for which criminal charges may be instituted by written information.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu; the Police Department of the City and County of Honolulu; and the Department of the Prosecuting Attorney of the County of Maui. Testimony in opposition to this measure was submitted by the American Civil Liberties Union of Hawaii; the Community Alliance on Prisons; and one private individual.

Your Committee finds that as new criminal laws have been passed or amended, the written information law has not been amended accordingly to include those new or amended laws. As such, this measure adds certain felonies that are comparable to the felonies listed in the existing written information law.

Your Committee notes that the Judiciary did not submit any written testimony, and encourages the Judiciary to participate in the ongoing discussion as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure further discussion; and
- (2) Inserting the correct section number for the crime of unauthorized entry into a dwelling in the first degree, and making other technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2058, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2058, 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. 2067 Commerce and Consumer Protection on S.B. No. 2787

The purpose and intent of this measure is to authorize the Public Utilities Commission to:

- (1) Develop, adopt, and enforce reliability standards for electric systems;
- (2) Oversee electric grid access;
- (3) Contract for the performance of related duties with a party to be named the Hawaii Electricity Reliability Administrator; and
- (4) Require an electric reliability surcharge to be collected by Hawaii's electric utilities.

Your Committee received testimony in support of this measure from the Governor; Department of Business, Economic Development, and Tourism; Public Utilities Commission; Maui Electric Company, Limited; Sierra Club, Hawaii Chapter; Hawaii Renewable Energy Alliance; and Blue Planet Foundation.

Your Committee finds that the reliability of Hawaii's electric system is a central issue the State must address to achieve the maximum penetration of renewable energy generation on its grid. Your Committee further finds that Hawaii's electric utilities currently assume responsibility for maintaining system reliability. However, the rise in requests to connect to the grid with intermittent energy sources demands a more formalized and transparent interconnection process. Your Committee additionally finds that the Public Utilities Commission needs the authority to perform necessary electric system reliability and grid access oversight functions and to contract for support in the performance of its duties.

Your Committee notes that this measure will provide the Public Utilities Commission with the necessary means to ensure that reliability standards and interconnection requirements are properly monitored and enforced by knowledgeable experts.

Finally, your Committee finds that the electric reliability surcharge proposed by this measure will ensure the funding of reliability standard monitoring and enforcement.

Your Committee has amended this measure by:

- (1) Clarifying that the Public Utilities Commission has the authority to develop, adopt, and enforce reliability standards and interconnection requirements;
- (2) Clarifying the Public Utilities Commission's authority to monitor the reliability and operation of the Hawaii electric system;
- (3) Specifying the appropriate and reasonable costs for interconnections that a utility may recover under the Hawaii electricity reliability surcharge;
- (4) Clarifying that the Public Utilities Commission may contract for the performance of its duties with a person, business, or organization that will serve as the Hawaii Electricity Reliability Administrator;
- (5) Clarifying the necessary qualifications and duties of the Hawaii Electricity Reliability Administrator; 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. 2787, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2787, 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. 2068 Commerce and Consumer Protection on S.B. No. 2759

The purpose and intent of this measure is to correct errors, ambiguities, and inconsistencies in the securities chapter of the Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that recent amendments to the Uniform Securities Act, chapter 485A, Hawaii Revised Statutes, have resulted in errors, ambiguities, and inconsistencies. This measure will promote consistency throughout the securities chapter by correcting language regarding notice filing and correct several drafting errors where internal references were wrongly cited.

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. 2759, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2759, 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. 2069 (Joint) Judiciary and Labor and Public Safety, Government Operations, and Military Affairs on H.B. No. 246

The purpose and intent of this measure is to appropriate funds to the Department of the Prosecuting Attorney of the City and County of Honolulu to provide services for various state mandated programs.

Your Committees received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Sex Abuse Treatment Center.

Your Committees find that this measure appropriates funds for grants-in-aid to the Department of the Prosecuting Attorney of the City and County of Honolulu to support four programs: the Career Criminal Prosecution Unit; Hawaii's drug court program; the Hawaii opportunity probation with enforcement program; and the Honolulu victims witness kokua services program.

Your Committees have amended this measure by:

- (1) Inserting the sum of \$734,973 to be appropriated for the Career Criminal Prosecution Unit;
- (2) Inserting the sum of \$121,057 to be appropriated for Hawaii's drug court program;
- (3) Inserting the sum of \$86,888 to be appropriated for the Hawaii's opportunity probation with enforcement program;
- (4) Inserting the sum of \$502,965 to be appropriated for the Honolulu victims witness kokua services program;
- (5) Changing the fiscal year of the appropriations from 2011-2012 to 2012-2013;
- (6) Changing the effective date from July 1, 2030, to July 1, 2012; 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 Judiciary and Labor 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. 246, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 246, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 2 (Ihara, Shimabukuro).

SCRep. 2070 Human Services on S.B. No. 2301

The purpose and intent of this measure is to:

- (1) Permit the family court to award reasonable visitation rights 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; and
- (3) Identify factors the court shall consider in awarding visitation rights to a grandparent.

Your Committee received testimony in support of this measure from the Family Law Section, Hawaii State Bar Association; and two individuals. Your Committee received comments on this measure from the American Civil Liberties Union of Hawaii.

Your Committee finds that innumerable children enjoy loving and beneficial relationships with grandparents who contribute to the children's experiences and establish a sense of familial intimacy. Grandparents that offer a child a comforting, safe, and secure haven should be able to visit their grandchildren.

Your Committee also finds that legal issues regarding grandparents' visitation rights in Hawaii are currently unresolved. In 2007, the Hawaii Supreme Court struck down section 571-46.3, Hawaii Revised Statutes, establishing grandparents' visitation rights, and noted that legislative action was necessary to correct the statute's unconstitutional provision (*Doe v. Doe*, 116 Hawaii 323, 336 (2007)).

Your Committee further finds that as the measure is currently drafted, the question still remains whether, and under what standards, the State can override a parent's determination regarding visitation by a grandparent. This measure, as currently drafted, does not answer this question or include such standards and may be subject to constitutional scrutiny for failure to include necessary deference to a parent's decision that is in line with that parent's constitutional rights.

Accordingly, your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to ensure 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2301, 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 (Ihara). Noes, none. Excused, 1 (Slom).

SCRep. 2071 (Majority) Human Services on S.B. No. 2450

The purpose and intent of this measure is to establish mandatory minimum prison terms for certain offenses committed against a person who the defendant knows or reasonably should have known is sixty years of age or older.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Healthcare Association of Hawaii; and one individual. Your Committee received testimony in opposition to this measure from the Community Alliance on Prisons and the League of Women Voters of Hawaii.

Your Committee finds that although the law currently provides harsher penalties for felonies that cause death or serious bodily injury to an elderly person, there are no such penalties for targeted elderly persons for financial crimes. Financial crimes against the elderly have been a growing problem in Hawaii, where it is common to see several generations living under the same roof. In May of 2006, the *Honolulu Advertiser* published a series of nine articles regarding the financial abuse of seniors, indicating the Adult Protective Services had received more than one thousand eight hundred reports of suspected incidents, during the two years prior. It is believed that these numbers are expected to increase as Hawaii's baby boomers age.

Your Committee further finds that stiffening the penalties for offenders of crimes against elder persons relating to theft and identity theft will provide greater protection for Hawaii's aging population and present greater deterrence to those who would contemplate targeting Hawaii's elderly for financial gain.

Your Committee recognizes the seemingly arbitrary designation of the apparent age of victims targeted by this measure as sixty years or older and urges further discussion of the issue as this measure progresses.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to ensure 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. 2450, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2450, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 2. Noes, 1 (Ihara). Excused, 1 (Slom).

SCRep. 2072 Human Services on S.B. No. 2309

The purpose and intent of this measure is to implement the long-term care partnership program, which allows individuals to qualify for Medicaid coverage for continued long-term care prior to exhausting their assets.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; the American Council of Life Insurers; Consumer, Family, and Youth Alliance; the National Association of Insurance and Financial

Advisors Hawaii; and two individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services and the Policy Advisory Board for Elder Affairs.

Your Committee finds that as a matter of policy, families should be encouraged to provide for their own financial well-being. The partnership program allows people to preserve some of their assets and still qualify for Medicaid by purchasing a “partnership” long-term care policy or exchanging an existing policy for a partnership policy.

Your Committee further finds that the measure as drafted does not appear to accurately reflect the requirements of the Deficit Reduction Act of 2005.

Your Committee has amended this measure by:

- (1) Ensuring consistency and compliance with the Deficit Reduction Act of 2005 by:
 - (A) Amending the purpose section in the proposed new chapter in section 1 to encourage people to purchase long-term care insurance instead of combining funds from private long-term care insurance and Medicaid;
 - (B) Amending the definitions of “certified long-term care insurance partnership policy” and “partnership” and adding a definition for “state medicaid agency”;
 - (C) Deleting language that set a minimum level of coverage under the partnership program;
 - (D) Requiring the Department of Commerce and Consumer Affairs, rather than the Department of Human Services, to certify the policies or plans; and
 - (E) Deleting language that required the adoption of certain rules that would have either violated the Deficit Reduction Act of 2005 or are unnecessary; and
- (2) Deleting section 2, which amended section 431:10H-221, Hawaii Revised Statutes, as it is unnecessary, and the topic of exchanges would be addressed in section 1 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2309, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2309, 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. 2073 Tourism on S.B. No. 490

The purpose and intent of this short form bill is to amend the law relating to the Hawaii Tourism Authority.

Your Committee has amended this measure by inserting language that, beginning July 1, 2012:

- (1) Increases the allocation of the transient accommodations tax revenue for the Hawaii Tourism Authority from \$69,000,000 to \$71,000,000; and
- (2) Requires \$2,000,000 to be expended for development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii.

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. 490, as amended herein, and recommends that it be recommitted to the Committee on Tourism, in the form attached hereto as S.B. No. 490, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2074 Human Services on S.B. No. 2310

The purpose and intent of this measure is to provide the Department of Human Services with the funding it requires to match federal funds allocated to the State for Medicaid benefits dedicated to adult vision services.

Your Committee received testimony in support of this measure from the Hamakua Health Center; the Hawaii Optometric Association; the Hawai'i Primary Care Association; Project Vision Hawaii; and two individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that funding Medicaid benefits dedicated to adult vision services will greatly assist the maintenance of vision. The deterioration of adult vision often serves as an indicator of diabetes, heart disease, and other diseases with high mortality rates, and impacts the vitality of a healthy society.

Your Committee notes that although the intent of this measure is supported, opposition to the measure cautions that given the State's current fragile fiscal situation, funding this measure through a general fund appropriation would not be prudent. Therefore, your Committee urges the Committee on Ways and Means to consider other, more appropriate funding sources to restore the provision of valuable vision 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. 2310 and recommends that 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. 2075 Energy and Environment on S.B. No. 2824

The purpose and intent of this measure is to eliminate the dietary supplement exemption from the deposit beverage container program.

Your Committee received testimony in support of this measure from the Department of Health, Sierra Club, and nine individuals. Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association and Grocery Manufacturers Association.

Your Committee finds that eliminating the dietary supplement exemption from the deposit beverage container program will reduce waste of the Department of Health's resources. The Department's administration of the dietary supplement exemption consumes an inordinate amount of its resources in comparison to the return, if any, to be gained by exempting dietary supplements.

Your Committee notes that the dietary supplement Ensure is distributed in "number 5" plastic bottles; consequently, Ensure is already exempt from participating in the program because "number 5" plastic bottles fall outside the scope of the 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. 2824 and recommends that 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. 2076 Energy and Environment on S.B. No. 2986

The purpose and intent of this measure is to make permanent the taxation rate for the liquid fuel naphtha, which is sold for use in electric power generation.

Your Committee received testimony in support of this measure from the Public Utilities Commission and Kauai Island Utility Cooperative. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

The Kauai Island Utility Cooperative testified that if the current naphtha fuel tax rate of two cents per gallon of naphtha is allowed to sunset on December 31, 2012, the default state and County of Kauai fuel tax rates would apply. The cooperative also testified that the higher tax rate would result in a tax liability that would be passed on to Kauai Island Utility Cooperative members, whose energy bills would increase by approximately seven percent. Your Committee finds that this potential increase in energy costs would not be in the best interests of the public.

Your Committee notes that no testimony was received on two other changes proposed by this measure. The first change would make permanent the definition of "power-generating facility" in section 243-1, Hawaii Revised Statutes; the second change would repeal the retroactive effect of the naphtha fuel tax rate established by Act 103, Session Laws of Hawaii 2007, as amended by Act 198, Session Laws of Hawaii 2009. Your Committee notes that the proposed repeal of the retroactive effect of the naphtha fuel tax rate should be further discussed if your Committee on Ways and Means chooses to hear this measure.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2986 and recommends that 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. 2077 Energy and Environment on S.B. No. 2981

The purpose and intent of this measure is to direct electric utilities to expedite the development of geothermal resources and other indigenous renewable resources for the production of electricity.

Your Committee received testimony in support of this measure from Innovations Development Group, Indigenous Consultants, LLC, and the Hawaii Renewable Energy Alliance. Your Committee received testimony in opposition to this measure from Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, and four individuals. Your Committee received comments on this measure from the Public Utilities Commission, Division of Consumer Advocacy, Sierra Club, and Blue Planet Foundation.

Your Committee finds that the development of geothermal and other indigenous, renewable energy resources capable of producing firm power has the potential to stabilize electricity prices in the State and reduce our State's dependence on fossil fuels. However, your Committee also finds that while geothermal and other renewable energy resources capable of producing firm power are critical to meeting Hawaii's future energy demands, other renewable energy sources may be equally important to certain areas of the State.

Therefore, your Committee finds it necessary to ensure that the integrated resource planning process remain adaptable and resilient to circumstances beyond the electric utilities' control, including the development of new technologies that enhance the value of solar and wind energy.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that electric utilities must include scenarios in their integrated resource plans to replace firm power fossil fuel-based electricity generation with firm power from electricity generation using indigenous, renewable sources, rather than mandate through integrated resource plans, without alternative scenarios, the replacement of firm power fossil fuel-based electricity generation with firm power from electricity generation using indigenous, renewable sources;

- (2) Requiring electric utilities to consider indigenous, renewable energy resources as options in the planning process, rather than requiring the electric utilities to prioritize specific renewable resources in the development of their integrated resource plans;
- (3) Deleting language that required electric utilities to coordinate efforts with various state entities to establish new geothermal subzones; and
- (4) 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. 2981, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2981, 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. 2078 Judiciary and Labor on S.B. No. 2061

The purpose and intent of this measure is to codify dismissals pursuant to Rule 48 of the Hawaii Penal Procedure and provide an exception for cases of abuse of family or household members, for the calculation of the six-month deadline for trial commencement.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that Rule 48 of the Hawaii Penal Procedure requires that unless a trial commences within six months, it may be dismissed by the court with or without prejudice. As such, the courts are dismissing a number of domestic violence cases.

Your Committee recognizes the City and County of Honolulu Prosecutor's current policy to prosecute domestic violence cases, and believes this measure merits further discussion so its language may be further streamlined to ensure domestic violence cases are brought to trial without infringing upon the right to a speedy trial.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2061, 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. 2079 Human Services on S.B. No. 2088

The purpose and intent of this measure is to:

- (1) Require the Department of Human Services to notify the appropriate standing committees of the Senate and House of any intended change to Hawaii's Medicaid program no later than sixty days prior to implementing the change;
- (2) Authorize the specified standing committees to hold hearings on any intended change to the Medicaid program or any proposed Medicaid state plan amendment; and
- (3) Prohibit or require certain actions by the Department that may affect Hawaii's Medicaid program.

Your Committee received testimony in support of this measure from the Hawai'i Primary Care Association, the Healthcare Association of Hawaii, the Consumer Family & Youth Alliance, and two individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that the Department of Human Services operates the State's Medicaid program, the second largest state program. Historically, the Department has effectively set and has significantly changed Hawaii's Medicaid program with little authoritative oversight from the Legislature or input from the public. This measure is a means to increase transparency and provide opportunities for the Legislature and the public to voice their comments and concerns on any changes or proposed changes to the State's Medicaid program and policy prior to their implementation.

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. 2088 and recommends that 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. 2080 Human Services on S.B. No. 2712

The purpose and intent of this measure is to amend the definition of the term "medical institution" as it is currently defined in section 346-12, Hawaii Revised Statutes, to mean an institution created for the practice of medicine and for caring for patients on a long-term basis.

Your Committee received testimony in support of this measure from the Department of Human Services, the Department of the Attorney General, the Consumer Family & Youth Alliance, and one individual.

Your Committee finds that if a Medicaid recipient enters a “medical institution”, the Department of Human Services is allowed to place a lien upon the real property of the recipient to potentially recover the payments made for the recipient’s care. However, under the existing definition of “medical institution”, a recipient could argue that the facility in which the recipient resides in is not a medical institution, in order to prevent the Department of Human Services from putting a lien on the recipient’s real property. Your Committee finds that this measure will clarify which institutions are subject to section 346-29.5, Hawaii Revised Statutes, thereby allowing the Department of Human Services to determine whether a lien may be properly placed on a Medicaid recipient’s real property.

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. 2712 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Slom).

SCRep. 2081 Human Services on S.B. No. 2321

The purpose and intent of this measure is to establish a task force to determine the feasibility of establishing a limited, mandatory, public long-term care insurance program.

Your Committee received testimony in support of this measure from ILWU Local 142; the Policy Board for Elder Affairs; and three individuals. Your Committee received testimony in opposition to a portion of this measure from the Department of Commerce and Consumer Affairs because the Department felt there would be a conflict of interest if the Insurance Commissioner chaired the task force and suggested that another entity lead the task force efforts. Your Committee received testimony in opposition to this measure from the National Association of Insurance and Financial Advisors Hawaii and one individual. Your Committee received comments on this measure from AARP.

Your Committee finds that naming the Insurance Commissioner as the chair of the task force may place the Commissioner in a position of conflict. If the task force’s recommendation is the creation of a long-term care insurance program that competes with the existing private commercial market, that program, if implemented, will impact the existing private market. As the regulator of the private market, the Commissioner should avoid a conflict of interest by not taking the lead in the creation of a non-private entity that will enter the regulated market.

Your Committee has amended this measure by:

- (1) Naming the Director of the Executive Office on Aging as the convener and chair of the task force;
- (2) Extending the date by which the Director shall submit the task force’s report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014;
- (3) Extending the date on which the task force shall be dissolved to June 30, 2014; and
- (4) 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. 2321, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2321, 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, 3. Noes, none. Excused, 1 (Slom).

SCRep. 2082 Human Services on S.B. No. 2318

The purpose and intent of this measure is to:

- (1) Adopt the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act, to ensure that only one state has jurisdiction at any one time in adult guardianship cases and protective proceedings;
- (2) Adopt guidelines to specify which court has jurisdiction to appoint a guardian or conservator for an incapacitated adult; and
- (3) Prioritize the states that may claim jurisdiction.

Your Committee received testimony in support of this measure from the Alzheimer’s Association – Aloha Chapter; Child and Family Service; and the Commission to Promote Uniform Legislation. Your Committee received comments on this measure from the Judiciary of the State of Hawaii.

Your Committee finds that the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act will provide uniformity and reduce conflicts among the states. The Act deals primarily with jurisdictional, transfer, and enforcement issues relating to adult guardianships and protective proceedings. To date, approximately thirty jurisdictions including the District of Columbia have adopted the Act, and four others, including Hawaii, are considering its adoption.

Your Committee notes the concern expressed by the Judiciary that this measure may not be necessary and may subject families and guardians to increased complexity and procedures. According to the Judiciary, families are currently able to seek guardianship for challenged minors before they turn eighteen, which provides seamless protection after the minor reaches the age of majority. This measure, as currently drafted, appears to not allow this protection as “incapacitated person” is defined as an adult. Your Committee further notes the Judiciary’s concern with regard to the measure’s potential negative impact on the Judiciary’s operations. Your

Committee recognizes that this measure would require changes to court policies, procedures, and rules and in light of the budget shortages caused by the current economic downturn, the additional work required pursuant to this measure would consume valuable and limited Judiciary staff resources.

Your Committee has therefore amended this measure by:

- (1) Changing the effective date to July 1, 2014, and encouraging the Judiciary and the Commission to Promote Uniform Legislation to work together to properly implement the salutary purposes 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. 2318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2318, 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. 2083 (Joint/Majority) Transportation and International Affairs and Energy and Environment on S.B. No. 2747

The purpose and intent of this measure is to simplify the requirements regarding parking spaces for electric vehicles, requiring places of public accommodation with at least one hundred parking spaces available for use by the general public to have at least one parking space near the building entrance designated exclusively for electric vehicles, and to be equipped with an electric vehicle charging system by July 1, 2012.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Maui County Office of Economic Development; Retail Merchants of Hawaii; Blue Planet Foundation; Better Place, Inc.; Outrigger Enterprises Group; and one individual. Comments were received from the Disability and Communication Access Board and the Sierra Club Hawai'i Chapter.

Your Committees find that appropriate incentives and requirements for electric vehicle infrastructure will play an integral role in Hawaii's clean energy future. Your Committees further find that this measure will address the frequent requests for interpretation of existing law that have been made by facility owners, electric vehicle industry personnel, and members of the public regarding the parking space requirements.

Your Committees have amended this measure by:

- (1) Clarifying the definition of electric vehicle to reduce the required battery energy storage capacity from at least five to at least 4.4 kilowatt hours, in order to expand the number of qualifying electric vehicles;
- (2) Requiring owners or managers of places of public accommodation with at least one hundred parking spaces available for use by the general public to designate at least one percent of parking spaces or up to five parking spaces, whichever is lesser, exclusively for electric vehicles by July 1, 2012, with certain conditions;
- (3) Deleting the authorization for an owner of multiple parking facilities to designate fewer parking stalls under certain conditions; 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 Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2747, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2747, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Slom). Excused, 3 (Dela Cruz, Green, Ihara).

SCRep. 2084 (Majority) Transportation and International Affairs on S.B. No. 2296

The purpose and intent of this measure is to:

- (1) Require motor vehicles to be insured prior to release from auction;
- (2) Update dealer bonding requirements;
- (3) Change the amount of the additional bond that the Motor Vehicle Industry Licensing Board is authorized to require in order to issue a dealer's license despite previous misconduct of the applicant; and
- (4) Require that an applicant for a dealer's license has a sales location that is zoned for such use, as a condition to issuance of the license.

Your Committee received testimony in support of this measure from the Hawaii Independent Automobile Dealers Association and one individual. Testimony in opposition was submitted by the Motor Vehicle Industry Licensing Board and Insurance Auto Auctions.

Your Committee finds that this measure is necessary to increase the reliability of automobile dealers in general, and in particular those who sell motor vehicles through the Internet. It is not the intent of your Committee to stifle the marketplace for motor vehicle sales, but instead to protect the consumer.

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. 2296 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, 1 (Slom). Excused, 1 (Dela Cruz).

SCRep. 2085 (Joint) Transportation and International Affairs and Energy and Environment on S.B. No. 2746

The purpose and intent of this measure is to codify Act 290, Session Laws of Hawaii 1997, relating to electric vehicles, which provides incentives for registration, licensing, parking, and operation of electric vehicles.

Your Committees received testimony in support of this measure from the State Department of Transportation; Department of Business, Economic Development, and Tourism; Honolulu Licensing Administrator; Blue Planet Foundation; Better Place, Inc.; and one individual. Testimony in opposition was submitted by the Sierra Club Hawai'i Chapter.

Your Committees find that although the laws relating to electric vehicle licensing and parking are valid laws of Hawaii, they are difficult to find and reference because they are only contained in the session laws, which are not as readily available to the public as are the Hawaii Revised Statutes, which are available online.

Your Committees have amended this measure by:

- (1) Authorizing, rather than requiring, the Department of Transportation to adopt rules for electric vehicle registration and special license plates, since electric vehicles are currently being registered with special license plates without the adoption of administrative rules; 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 Transportation and International Affairs and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2746, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2746, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6, Ayes with Reservations (Slom). Noes, none. Excused, 3 (Dela Cruz, Green, Ihara).

SCRep. 2086 Transportation and International Affairs on S.B. No. 2045

The purpose and intent of this measure is to prohibit moped drivers from driving or parking on bicycle paths and require moped drivers to use bicycle lanes where available.

Your Committee received testimony in support of this measure from the State Department of Transportation, Maui County, Maui Bicycle Alliance, and three individuals.

Your Committee finds that mopeds can travel at speeds up to thirty-five miles per hour. Thus, allowing a mix of mopeds with bicyclists and pedestrians increases the potential for serious accidents to occur that can result in significant injury to bicyclists, moped operators, and pedestrians.

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. 2045 and recommends that 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 (Dela Cruz).

SCRep. 2087 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs and Energy and Environment on S.B. No. 3010

The purpose and intent of this measure is to expedite construction projects for the bridge rehabilitation and replacement program of the Department of Transportation by providing temporary exemptions from certain state and county requirements.

Your Committees received testimony in support of this measure from Control Point Surveying, Inc., General Contractors Association of Hawaii, and one individual. Testimony in opposition was submitted by the Department of Business, Economic Development, & Tourism; Department of Health; and Office of Environmental Quality Control. Comments were received from the University of Hawaii, State Department of Transportation, and Department of Land and Natural Resources.

Your Committees find that there are currently seven hundred fifty-six state-owned bridges, of which two hundred fifty-six are functionally obsolete and thirty-nine are structurally deficient. According to testimony of the Department of Transportation, at the current rate of rehabilitation and replacement of one to three bridges per year, it will take well over fifty years to address all the deficient bridges. Meanwhile, other bridges that are not currently deficient will gradually deteriorate.

Your Committees request the Department of Transportation to give priority to the Hana Highway bridge preservation plan, as well as other bridges in the Hana district that have deteriorated over the years and may pose an imminent danger of collapse.

Your Committees wish to make note that the various departments need to see the larger picture in this measure for the greater good of the State rather than be overly concerned about their own respective operations.

Your Committees have amended this measure by:

- (1) Adding language to provide against the impairment of federal funds to the State; 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 Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3010, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3010, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Baker, Dela Cruz, Ihara, Kidani).

SCRep. 2088 Economic Development and Technology on S.B. No. 2238

The purpose and intent of this measure is to repeal Act 155, Session Laws of Hawaii 2010.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii; Hawaii Alliance of Nonprofit Organizations; Chun, Kerr, Dodd, Beaman & Wong; American Council of Life Insurers; 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, Session Laws of Hawaii 2010, imposes disproportionate penalties for simple tax filing oversight. Act 155 stipulates possible tax-exemption revocation for a taxpayer that 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.

Your Committee understands that the Department of Taxation issued a Tax Information Release (TIR) to provide guidance for taxpayers. While the TIR may have mitigated some of the concerns, it is an administrative pronouncement only and can be withdrawn at any time, further leading to taxpayer 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. 2238 and recommends that 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. 2089 (Joint) Economic Development and Technology and Commerce and Consumer Protection on S.B. No. 2739

The purpose and intent of this measure is to ensure the stability of the Small Business Regulatory Review Board by:

- (1) Transferring the Board, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs, and authorizing the expenses of the Board to be funded from the compliance resolution fund; and
- (2) Requiring each agency to notify the Small Business Regulatory Review Board on an annual basis of any rules that affect small business and are required to be amended or repealed to reflect statutory amendments or repeals.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Farm Bureau; and two individuals. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs and the Department of Human Resources Development.

Your Committees find that, despite ongoing discussions between the Department of Business, Economic Development, and Tourism and the Department of Commerce and Consumer Affairs, the two agencies have not reached an agreement on the placement of the Small Business Regulatory Review Board, or the means of funding for the Board. Your Committees also have concerns regarding a transfer of the Board to the Department of Commerce and Consumer Affairs, and believe consideration should be given to moving the Board to a non-regulatory agency, such as the Department of Accounting and General Services. If such a transfer were to take place, your Committees would want to ensure that proper protections for any staffing transfers are in place.

Your Committees urge the agencies involved to continue to explore options in order to provide the Small Business Regulatory Review Board with the financial and staffing resources necessary to meet its statutorily mandated responsibilities.

Your Committees have amended this measure by:

- (1) Deleting the transfer of the Small Business Regulatory Review Board from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs;
- (2) Deleting the authorization for the expenses of the Board to be funded from the compliance resolution fund; and
- (3) Authorizing the Department of Business, Economic Development, and Tourism to establish fees pursuant to chapter 91, to be charged to each agency submitting rules to the board pursuant to section 201M-7, Hawaii Revised Statutes, as part of the agency submission process, with the fees to be used for the expenses of the Small Business Regulatory Review Board.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2739,

as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2739, 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. 2090 Economic Development and Technology on S.B. No. 2947

The purpose and intent of this measure is to ensure that information regarding the economic impact of tax credits or exemptions is reported annually by requiring the:

- (1) State agency responsible for certifying or otherwise administering the tax credit or exemption, or the Department of Taxation, as appropriate, to prepare reports disclosing certain taxpayer information, information regarding the taxpayer's fulfillment of expected results of the tax credits or exemptions, and information relating to the agency's certification determination; and
- (2) Department of Taxation to post the reports on its website no later than December 31 of each year.

Your Committee received testimony in support of this measure from the Hawaii Strategic Development Corporation and the High Technology Development Corporation. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii.

Your Committee has heard the concerns of the Department of Taxation that the Department lacks the fiscal and staffing resources to complete the reports required in this measure. Currently, only a few economic development-related tax credits or exemptions require certifications or are administered by other state agencies. Most credits and exemptions are administered by the Department, which would place the responsibility for implementation of this measure primarily with the Department of Taxation.

Your Committee notes that the Department previously published an annual report covering the usage of various tax credits, and that it has had to halt the preparation and publication of the reports due to staff shortages and downsizing in recent years. Your Committee finds that providing funding to the Department will allow the Department to reinstate these annual reports, which would achieve the purpose for which S.B. No. 2947 was introduced.

Your Committee has amended this measure by adding an appropriation for an unspecified amount to assist the Department of Taxation in preparing the reports.

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. 2947, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2947, 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. 2091 Education on S.B. No. 2484

The purpose and intent of this measure is to authorize a state income tax credit for certain expenses paid or incurred by a school teacher in connection with supplementary materials used by the teacher in the classroom.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, IMUAlliance, and nine individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that teachers often pay out of their own pocket for materials to provide more creative ways to be effective in the classroom. It is the intent of your Committee that the tax credit provided in this measure be claimed only for classroom materials. As this measure progresses, your Committee requests that the Department of Taxation provide the estimated impact of this measure on general fund revenues.

Your Committee has amended this measure by clarifying that a qualified taxpayer under this measure means a school teacher, special education teacher, school librarian, or counselor employed by the Department of Education, a charter school, or a private school.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2484, 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. 2092 Education on S.B. No. 2773

The purpose and intent of this measure is to make housekeeping amendments to chapter 312, Hawaii Revised Statutes, to accurately reflect long-standing Board of Education and Hawaii State Public Library System practices.

Your Committee received testimony in support of this measure from the Hawaii State Public Library System and Department of Human Resources Development.

Your Committee finds that this measure is necessary to align chapter 312, Hawaii Revised Statutes, with the actual practices of the Board of Education and Hawaii State Public Library 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. 2773, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2773, 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. 2093 Education on S.B. No. 2996

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate the sum of \$20,000,000 for the planning, design, and construction of a new high school in Kihei, Maui.

Your Committee received testimony in support of this measure from the Department of Education, four members of the Maui County Council, Hawaii Laborers-Employers Cooperation and Education Trust, Kihei High School Action Team, Kamali'i Elementary School Parent Teacher Association, and nine individuals.

Your Committee finds that the Department of Education has been planning to build a high school in south Maui for several years and was previously appropriated over \$32,000,000 toward the planned Kihei High School. Approximately \$20,000,000 of the appropriated funds have since lapsed and this measure will help to restore the funding necessary so the remaining planning, design, and construction work on this project may continue without delay.

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. 2996 and recommends that 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. 2094 Education on S.B. No. 2525

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Hawaii Pacific University.

Your Committee received testimony in support of this measure from Hawaii Pacific University. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that this measure will assist Hawaii Pacific University in financing the costs related to the acquisition and construction of additional educational facilities and to allow for the renovation of existing facilities.

Your Committee has amended this measure by adding language to clarify that:

- (1) Under section 39A-257, Hawaii Revised Statutes, special purpose revenue bonds may be issued for a single project, multiple projects, a single-project party, or multiple-project parties pursuant to the authority of one Act, or the combined authority of more than one Act, of the Legislature; and
- (2) Any limited liability company of which Hawaii Pacific University is the sole member shall be considered a not-for-profit affiliate of Hawaii Pacific University for 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. 2525, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2525, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Slom).

SCRep. 2095 Education on S.B. No. 2952

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Le Jardin Academy, a private not-for-profit elementary and secondary school, with the construction, improvement, and equipping of its educational facilities.

Your Committee received testimony in support of this measure from Le Jardin Academy and the Hawaii Association of Independent Schools. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that this measure will provide Le Jardin Academy with the financial tools to leverage capital funds for campus development and improvement projects that will benefit not only its students, but the community-at-large as well.

Your Committee has amended this measure by:

- (1) Adding language to clarify that under section 39A-257, Hawaii Revised Statutes, special purpose revenue bonds may be issued for a single project, multiple projects, a single-project party, or multiple-project parties pursuant to the authority of one Act, or the combined authority of more than one Act, of the Legislature; 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. 2952, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2952, 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. 2096 (Joint) Education and Judiciary and Labor on S.B. No. 2541

The purpose and intent of this measure is to repeal various sections of chapter 302A, Hawaii Revised Statutes (HRS), in order to allow employer-employee issues to be negotiated pursuant to the collective bargaining process.

Your Committees received testimony in support of this measure from the Department of Education. Your Committees received testimony in opposition to this measure from the Hawaii State Teachers Association and IMUAlliance. Your Committees received comments on this measure from the Hawaii Government Employees Association, HGEA/AFSCME, Local 152, AFL-CIO.

Your Committees find that chapter 302A, HRS, contains numerous sections covering employer-employee issues. Your Committees further find that many of these employer-employee issues should be left to the collective bargaining process rather than be legislatively mandated. Your Committees note that repeal of these sections does not reflect a prohibitive view of these collective bargaining issues, but rather reflects the fact that all of those areas are already permissive within the collective bargaining process.

Your Committees have amended this measure by:

- (1) Adding language to clarify that any existing rule, ordinance, executive order, directive, or provision in a collective bargaining agreement in existence on the effective date of this measure that is not consistent with this Act shall be amended to ensure that it includes language repealed 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 Education and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2541, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2541, 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 (Ihara).

SCRep. 2097 (Joint) Education and Judiciary and Labor on S.B. No. 2598

The purpose and intent of this measure is to propose constitutional amendments to article VII, section 12, and article X, section 1, of the Hawaii State Constitution, to authorize the State to issue special purpose revenue bonds and use the proceeds from those bonds to assist charter schools, not-for-profit corporations that support charter schools, and community development financial institutions that support charter schools.

Your Committees received testimony in support of this measure from the Charter School Administrative Office, Office of Hawaiian Affairs, Hawaii Association of Independent Schools, Hawaii Public Charter School Network, Lei Ho'olaha Community Development Financial Institution, Kanu O Ka 'Aina Learning 'Ohana, Hawaii Technology Academy, and Voyager School Foundation. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that funding for facilities is one of the charter school system's greatest needs. However, your Committees recognize the concerns raised by the Department of Budget and Finance and request that as this measure progresses, the Department provide clarification on whether:

- (1) The organizations specified in this measure would qualify under federal law for tax-exempt financing; and
- (2) There is any funding mechanism to ensure adequate debt coverage for the issuance of special purpose revenue bonds on behalf of charter schools.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2598 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9, Ayes with Reservations (Taniguchi). Noes, none. Excused, 1 (Ihara).

SCRep. 2098 Ways and Means on H.B. No. 2002

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 for fiscal year 2012-2013.

Your Committee received testimony in support of this measure from the Auditor, the Ombudsman, and the Executive Director of the Hawaii State Ethics Commission.

Your Committee received comments on this measure from the 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. 2002, 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, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Fukunaga).

SCRep. 2099 Human Services on S.B. No. 2320

The purpose and intent of this measure is to establish the Aging and Disability Resource Center in the Executive Office on Aging and to make an appropriation to the Department of Health for the kupuna care program, the healthy aging partnership program, senior centers, and elder registration services.

Your Committee received testimony in support of this measure from the Department of Health's Executive Office on Aging; the Elderly Affairs Division of the Department of Community Services, City and County of Honolulu; the Agency on Elderly Affairs, County of Kauai; the County Council, County of Maui; the Maui County Office on Aging of the Department of Housing and Human Concerns, County of Maui; AARP; the Alzheimer's Association – Aloha Chapter; Catholic Charities Hawaii; Child and Family Service; the Consumer Family & Youth Alliance; the Healthcare Association; the ILWU Local 142; the Moiliili Community Center; the Policy Advisory Board for Elder Affairs; the Waikiki Community Center; and thirty-one individuals.

Your Committee finds that the growing elderly population in Hawaii requires a significant amount of assistance, which the elderly receive through programs and services such as kupuna care, the healthy aging partnership program, and senior centers. These programs and facilities assist older persons in leading independent, meaningful, and dignified lives in their own homes and communities for as long as possible. Your Committee also finds that the elder registration services will allow direct access to wanderer and caregiver personal information and emergency contact information.

Your Committee further finds that the disability component of the Aging and Disability Resource Center falls outside of the scope of the title of this measure.

Your Committee has amended this measure by:

- (1) Deleting language that establishes the Aging and Disability Resource Center;
- (2) Adding background information on the kupuna care program and emphasizing the need for affordable long-term care due to the financial burden that comes with elder care;
- (3) Inserting the legal names of the nonprofit organizations currently operating the senior centers for which grants are being made pursuant to 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2320, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2320, 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. 2100 Transportation and International Affairs on S.B. No. 2978

The purpose and intent of this measure is to provide a tax deduction for the amount of interisland airplane carrier landing fees and terminal facility lease rents in any county with a population of less than 500,000 persons.

Your Committee received testimony in opposition of this measure from the Department of Transportation. Comments were received from the Department of Taxation, State Attorney General, Tax Foundation of Hawaii, and Hawaiian Airlines.

Your Committee finds that small turbo propeller airplanes play a vital role in the transport or conveying of baggage, passengers, and goods between the islands of this State.

The services provided by these airplanes are particularly critical for Hawaii's isolated rural communities, which often have few or no alternative means of transportation. In today's highly competitive economy, the operators of these small airplanes struggle to maintain and expand their operations to serve Hawaii'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 is in accord with the intent and purpose of S.B. No. 2978 and recommends that 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 (Dela Cruz, Slom).

SCRep. 2101 Human Services on S.B. No. 2120

The purpose and intent of this measure is to:

- (1) Provide funding to increase payments for physicians providing services to Medicaid-eligible individuals, including fee-for-service, QUEST physician services, and the QUEST Expanded Access program; and
- (2) Require the Department of Human Services to include in its budget request for each year of the 2013-2015 fiscal biennium a sum at least equal to the sum appropriated for fiscal year 2012-2013, in addition to its baseline Medicaid request.

Your Committee received testimony in support of this measure from the Department of Human Services, The Chamber of Commerce of Hawaii, the Consumer Family & Youth Alliance, the Hawaii Disability Rights Center, the Hawaii Medical Association, the Policy Advisory Board for Elder Affairs, and two individuals.

Your Committee finds that health care providers are not being compensated for essential services at a level sufficient to cover costs, which are annually increasing. Increasing Medicaid reimbursement rates for physicians is important to fairly compensate physicians treating Medicaid-eligible individuals and will create sufficient incentives to provide the care that these recipients require.

Your Committee has requested the Department of Human Services to provide estimates for the following to provide more context of the seriousness of the issue:

- (1) Estimated costs if the physician reimbursement rate was increased by five percent or ten percent; and
- (2) Estimated cost savings if Medicaid rolls were reduced by five percent or ten percent.

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. 2120 and recommends that 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. 2102 Commerce and Consumer Protection on S.B. No. 2182

The purpose and intent of this measure is to make permanent the assessment and deposit of the Center for Nursing fees into the compliance resolution fund and distribution of those funds to the credit of the Center for Nursing special fund.

Your Committee received testimony in support of this measure from the Workforce Development Council; University of Hawaii at Manoa; Board of Nursing; Hawaii State Center for Nursing; Hawaii Health Systems Corporation; The Queen's Medical Center; Hawaii Association of Professional Nurses; Hawaii American Organization of Nurse Executives; Hawaii Long Term Care Association; American Academy of Nurse Practitioners; AARP Hawaii; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and six individuals.

Your Committee finds that the Legislature established the Center for Nursing in 2003 to address nursing workforce issues. Since its inception, the Center for Nursing has become a leader in workforce planning, nursing research, and professional practice in the State. Your Committee further finds that the Center for Nursing has provided invaluable support to nurses throughout the State through advocacy, training, and grants, and as a resource center. Your Committee additionally finds that supporting the continued efforts of the Center for Nursing will help ensure adequate nursing education and workforce development to meet the healthcare needs of Hawaii's citizens.

Your Committee notes that the fees credited to the Center for Nursing special fund are the main source of funding for the Center for Nursing. Repealing these fees would in essence cause the demise of the Center for Nursing. Your Committee therefore concludes that making the specific fees on new and renewed Registered Nurse and Licensed Practical Nurse licenses permanent is essential for the continued funding of the Center for Nursing. Permanent funding will allow the Center for Nursing to continue its important mission of addressing nursing workforce issues.

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. 2182 and recommends that 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 (Galuteria, Green, Nishihara).

SCRep. 2103 Commerce and Consumer Protection on S.B. No. 2427

The purpose and intent of this measure is to require the Public Utilities Commission to implement best practices in the areas of regulatory frameworks, rules and procedures, and information technology and public access and to appropriate funds to carry out these purposes.

Your Committee received testimony in support of this measure from the Public Utilities Commission. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the Public Utilities Commission has been working on updating and implementing internal processes and developing innovative regulatory frameworks. The Public Utilities Commission has undertaken an internal initiative to update all of the Commission's administrative rules, and is working on enhancing its Document Management System to increase user friendliness and allow for electronic filing and payment.

Your Committee also finds that implementation of best practices will increase transparency and efficiency at the Public Utilities Commission and will ensure that the Commission is in the best position to make informed decisions about the State's future infrastructure.

Concerns were expressed regarding whether the appropriation associated with this measure should come from the general fund. In testimony before your Committee, it was noted that the public utilities commission special fund has generated an average of \$18,000,000 each year over the last five fiscal years, and has lapsed to the general fund approximately \$10,000,000 each year during that same period. Your Committee has concluded that it is more appropriate that the funding for this measure come from the public utilities commission special fund.

Your Committee has amended this measure by:

- (1) Specifying that funding for this measure will come from the public utilities commission special fund, rather than the general fund; and
- (2) Increasing the appropriation amount to \$100,000 to better assist the Public Utilities Commission with implementing best practices.

Your Committee finds that this measure will require an increase in the public utilities commission special fund ceiling and will result in a subsequent loss of \$100,000 from the general fund. Your Committee also believes that the appropriation contained in this measure is an important expenditure and will have minimal impact on the general fund.

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. 2427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2427, 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. 2104 Commerce and Consumer Protection on S.B. No. 2784

The purpose and intent of this measure is to appropriate general funds to recapitalize the emergency and budget reserve fund and the Hawaii hurricane relief fund.

Your Committee received testimony in support of this measure from the Office of the Governor. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the State has recently faced a significant budget shortfall. Last year, the Legislature made the decision to expend reserve funds, including the emergency and budget reserve fund and the Hawaii hurricane relief fund, as a last resort in extraordinary times. Although the effects of the economic downturn caused the Legislature to expend reserve funds, the Legislature made a conscious decision to make up for budget deficits in this manner and was careful to include a repayment plan.

Your Committee understands that the low balances in the State's reserve funds are not fiscally prudent and have caught the attention of state bond investors and bond rating agencies. However, your Committee notes that a successful bond sale in November 2011 will enable recapitalization of those reserves. Based on testimony heard by your Committee, your Committee finds that it is in the State's best interest to begin some level of recapitalization, especially for the Hawaii hurricane relief fund, during the current fiscal biennium.

Your Committee also notes that with the recent three percent revenue decrease in the Council on Revenues' forecast, and the uncertainty in the economy and revenue collections, it may be necessary to amend the amounts of the recapitalization plan and the funding timetable. Your Committee therefore concludes that it would be fiscally prudent to recapitalize the Hawaii hurricane relief fund over a period of three fiscal years beginning with the current fiscal year, making smaller payments during fiscal years 2011-2012 and 2012-2013 and a larger payment during fiscal year 2013-2014.

Your Committee notes that if the monies in this measure are to be appropriated prior to the passage of the supplemental appropriations bill, then a recommendation from the Governor for immediate passage of this measure is required before passage of this measure, as it appropriate funds for the current fiscal year. Your Committee also notes that the appropriation in this measure to recapitalize the emergency and budget reserve fund has been left for review by your Committee on Ways and Means, as this fund is outside the purview of your Committee on Commerce and Consumer Protection.

Your Committee has amended this measure by:

- (1) Amending the appropriations for recapitalization of the Hawaii hurricane relief fund as follows:
 - (A) An appropriation of \$27,500,000 for fiscal year 2011-2012;
 - (B) An appropriation of \$27,500,000 for fiscal year 2012-2013; and
 - (C) An appropriation of \$56,000,000 for fiscal year 2013-2014; 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. 2784, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2784, 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. 2105 (Joint/Majority) Energy and Environment and Commerce and Consumer Protection on S.B. No. 2339

The purpose and intent of this measure is to repeal the requirement that gasoline sold in the State for use in motor vehicles contain ten percent ethanol by volume.

Your Committees received testimony in support of this measure from two individuals. Your Committees received testimony in opposition to this measure from Pacific West Energy LLC. Your Committees received comments on this measure from the Hawaii Renewable Energy Alliance.

Your Committees find that meeting the existing ethanol mandate using local sources would contribute to the State's energy security and indigenous energy resource goals. However, landowners, technology experts, and financiers have not yet executed the type of deal that would make local ethanol production and fuel blending a reality. As such, your Committees find that the ethanol mandate reaps no economic benefit for Hawaii, requires the import of ethanol into Hawaii, and creates an economic burden for our residents and should therefore be repealed.

Your Committees have amended this measure by changing its effective date from upon approval to July 1, 2050, to ensure further discussion.

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. 2339, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2339, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, 1 (Solomon). Excused, none.

SCRep. 2106 (Joint/Majority) Energy and Environment and Commerce and Consumer Protection on S.B. No. 2785

The purpose and intent of this measure is to establish the regulatory structure under which interisland undersea transmission cables can be developed, financed, and constructed, on commercially reasonable terms.

Your Committees received testimony in support of this measure from the Office of the Governor; Public Utilities Commission; Department of Business, Economic Development, and Tourism; Division of Consumer Advocacy; Office of the Mayor of Maui County; The Pacific Resource Partnership; International Longshore and Warehouse Union Local 142; Blue Planet Foundation; Building Industry Association; Hawaii Carpenters Union; Hawaii Laborers' Union; Hawaiian Electric Company; Castle & Cook Hawai'i; Enterprise Honolulu; Hawaii Interisland Cable LLC; and three individuals. Your Committees received testimony in opposition to this measure from Friends of Lana'i, Life of the Land, Conservation Council for Hawai'i, Hawaii's Thousand Friends, and sixty-four individuals. Your Committees received comments on this measure from the Environmental Caucus of the Democratic Party of Hawaii and two individuals.

Your Committees find that the creation of a regulatory structure for the installation and implementation of an interisland undersea electric transmission cable system is in the best interests of the people of Hawaii. A cable built in the absence of an appropriate regulatory structure will cost more to finance and place an unnecessary burden on electricity ratepayers. Your Committees note that this measure does not guarantee that an interisland cable system will be built; it only ensures the predictability and certainty of the regulatory process in the event that an interisland cable system is built.

Your Committees note that the electric utility company's revenue requirement and the electric utility company's net investment, as specified in this measure, should be further discussed by your Committee on Ways and Means.

Your Committees have amended this measure by:

- (1) Adding language clarifying that nothing in this measure is intended to require construction of an interisland cable from the islands of Molokai or Lanai to Oahu;
- (2) Adding language clarifying that a cable company selected to construct a cable system shall not commence commercial operations of the cable system until it is issued a certificate of public convenience and necessity by the Public Utilities Commission;
- (3) Deleting language pertaining to acquisition of a cable system by an electric utility and recovery of acquisition costs by an electric utility that purchases a cable system; and
- (4) Deleting definitions that are no longer used in the measure and making other 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. 2785, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2785, 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 (Ihara). Noes, 1 (Slom). Excused, none.

SCRep. 2107 Public Safety, Government Operations, and Military Affairs on S.B. No. 2174

The purpose and intent of this measure is to require:

- (1) Any state agency, board, or commission that directly or by contract collects demographic data as to ancestry or ethnic origin to use separate collection categories and tabulations for specified categories;
- (2) The data collected pursuant to the different collection categories and tabulations to be included in every demographic report on ancestry or ethnic origin by the state agency, board, or commission published or released on or after July 1, 2013, and to be made available to the public in accordance with state and federal law, except for personal identifying information, which shall be deemed confidential;
- (3) State agencies, boards, and commissions to make any demographic data collected publicly available, subject to all applicable state and federal laws regarding personal identifying information, by posting the data on the internet web site of the agency on or before July 1, 2013, and annually thereafter; and
- (4) State agencies, within eighteen months after the decennial United States Census for the year 2020 is released to the public, to update their data collection to reflect the additional categories.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs. Testimony in opposition was received from the Department of Education and University of Hawai'i System.

Your Committee finds that Asian Americans, Native Hawaiians, and other Pacific Islanders represent 48.6 percent of the State's population. While Asian Americans, Native Hawaiians, and other Pacific Islanders are often misrepresented as a homogeneous group, they are an extremely diverse group, with ethnicities from over thirty different countries. Asian American, Native Hawaiian, and other

Pacific Islander communities in this State experience diverse social, educational, health, and economic differences that are unique to their respective communities.

Due to this diversity, the United States Office of Management and Budget's Statistical Policy Directive No. 15, entitled "Race and Ethnic Standards for Federal Statistics and Administrative Reporting," separated the "Asian and Pacific Islander" category into two distinct and separate categories, now called "Asians" and "Native Hawaiians and Other Pacific Islanders," and these two distinct categories were used in the 2000 United States Census. The United States Census Bureau currently reports data for more than twenty different ethnicities within these two categories. This measure mandates state agencies to collect and report demographic data in line with the federal practices.

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. 2174 and recommends that 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. 2108 Public Safety, Government Operations, and Military Affairs on S.B. No. 2338

The purpose and intent of this measure is to provide rulemaking authority, not subject to approval by the mayor of the county, to semi-autonomous county public transit agencies, including the agency known as the Honolulu Authority for Rapid Transportation, to allow them to function as semi-autonomous agencies of their respective counties.

Your Committee received testimony in support of this measure from the Honolulu Authority for Rapid Transportation.

Your Committee finds that the Honolulu Authority for Rapid Transportation should be extended the same rulemaking authority as currently possessed in statute by the county boards of water supply.

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. 2338 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. 2109 Public Safety, Government Operations, and Military Affairs on S.B. No. 2566

The purpose and intent of this measure is to require all public contractors to explicitly agree through a provision in their public contracts to be subject to the prohibition and penalties for any violations of campaign contribution laws.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and Common Cause Hawaii.

Your Committee finds that this measure requires by statute a provision that is already included in all state contracts acknowledging that the contractor has been notified of the provisions of existing law prohibiting contributions by state and county contractors using funds appropriated by the legislative body.

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. 2566 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. 2110 Public Safety, Government Operations, and Military Affairs on S.B. No. 2898

The purpose and intent of this measure is to make a grant-in-aid appropriation to the Office of the Prosecuting Attorney of the County of Hawaii for the career criminal prosecution program.

Your Committee received testimony in support of this measure from the Honolulu Prosecuting Attorney, Hawaii County Prosecuting Attorney, Hawaii Police Department, and one individual.

Your Committee finds that the career criminal prosecution program was created because a disproportionate amount of serious crimes were committed by a relatively small number of multiple and repeat felony offenders, commonly known as career criminals. In response, the Department of the Prosecuting Attorney of the County of Hawaii created the career criminal prosecution unit. Your Committee further finds that money spent on this unit is an efficient use of resources that provides our citizens with swift and effective justice and reduces heavy caseloads and long court delays.

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. 2898 and recommends that 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. 2111 Public Safety, Government Operations, and Military Affairs on S.B. No. 2970

The purpose and intent of this measure is to make a grant-in-aid to the Department of the Prosecuting Attorney of the County of Maui for the career criminal prosecution program.

Your Committee received testimony in support of this measure from the Honolulu Prosecuting Attorney and Maui Prosecuting Attorney.

Your Committee finds that the Department of the Prosecuting Attorney of the County of Hawaii created the career criminal prosecution unit because a disproportionate amount of serious crimes were committed by a relatively small number of multiple and repeat felony offenders, commonly known as career criminals. Your Committee further finds that money spent on this unit is an efficient use of resources that provides our citizens with swift and effective justice and reduces heavy caseloads and long court delays.

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. 2970 and recommends that 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. 2112 Public Safety, Government Operations, and Military Affairs on S.B. No. 2582

The purpose and intent of this measure is to require that of the twenty percent set aside of the State's annual purchasing expenditure to small business, a combined total of not less than three percent shall be awarded to veteran-owned small businesses and service-disabled veteran-owned small businesses.

Your Committee received testimony in support of this measure from the Vietnam Veterans Post 10583 of the Veterans of Foreign Wars; General Contractors Association of Hawaii; Military Officers Association of America, Hawaii Chapter; and Oahu Veterans Center.

Your Committee recognizes that much sacrifice and hardship was endured by the veterans who served in the armed forces and supports efforts to rehabilitate and reintegrate them into society as productive and hard working individuals. Your Committee believes that this measure is a fitting and proper recognition of the men and women of our country who have gone to war to fight for and to protect our freedoms, as well as to combat tyranny and oppression of peoples throughout the world.

Your Committee has amended this measure by:

- (1) Clarifying that the veteran-owned small businesses and service-disabled veteran-owned small businesses subject to this measure shall have fifty or fewer employees, to be verified annually by the chief procurement officer; and
- (2) Changing the effective date to January 1, 2020, 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 S.B. No. 2582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2582, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 2113 (Joint) Economic Development and Technology and Education on S.B. No. 2110

The purpose and intent of this measure is to:

- (1) Designate 'Ulu'ulu: The Henry Ku'ualoha Giugni Moving Image Archive of Hawai'i as the state archive for moving images;
- (2) Establish a special fund to be administered by the University of Hawaii; and
- (3) Establish a tax check-off to provide funding for the archive.

Your Committees received testimony in support of this measure from 'Ulu'ulu: The Henry Ku'ualoha Giugni Moving Image Archive of Hawai'i; Juniroa Productions, Inc.; Archival Media Consulting; Pacific Islanders in Communication; Mike May Media Services; 4 Miles LLC; Na Maka o ka 'Aina; and twenty-nine individuals. Your Committees received comments on this measure from the Department of Budget and Finance, Department of Taxation, and Tax Foundation of Hawaii.

Your Committees find that Hawaii has been making movies and television shows since Thomas Edison came to Hawaii in 1908, yet over eighty percent of the State's media history has been lost due to the tropical climate and benign neglect. Entire libraries of film and video have been thrown away because of deterioration, changes in recording formats, and concerns for space. 'Ulu'ulu provides a solution using archival best practices, software tools, and state-of-the-art technology found nowhere else in the Pacific region. Currently the archive houses over 10,000 hours of recorded video and film ranging from the first commercial interisland flight in 1927, volcanic eruptions from the 1940s and 1950s, the 1978 Constitutional Convention, and over thirty years of news, sports, and programming from KGMB, including the popular children's show, Checkers and Pogo.

Your Committees commend the efforts of all those involved with 'Ulu'ulu: The Henry Ku'ualoha Giugni Moving Image Archive of Hawai'i, for their collaborative work in preserving these important moments in Hawai'i's history.

Your Committees note that there has also been extensive fundraising in support of the archive, and that 'Ulu'ulu would not be dependent on state funding if designated the state archive for moving images. Your Committees have heard concerns that the use of an income tax write-off may not be the most appropriate means of ensuring additional funding for the archive, and recommend further discussion on this point as this measure moves through the legislative process.

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. 2110 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, Slom).

SCRep. 2114 Economic Development and Technology on S.B. No. 2737

The purpose and intent of this measure is to amend the State's Sunshine Law to allow board and commission meetings to be conducted by any form of interactive conference technology that permits interaction by audio, or audio and visual means, provided that:

- (1) All members of a board and the public are able to interact with each other at least by audio communication;
- (2) The public is given notice of all the locations at which board members will be participating in the meeting, and the public may join members to participate in the meeting at those locations; and
- (3) An agenda item may not be considered if any meeting location is connected by audio only technology, and copies of all visual aids brought or used to consider that item on the agenda are not available at all meeting locations within fifteen minutes after audio only technology is being used.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Office of Information Management & Technology; Office of Information Practices; Department of Planning and Permitting, County of Honolulu; The Chamber of Commerce of Hawaii; Building Industry Association of Hawaii; and three individuals.

Your Committee finds that this measure will reduce the instances in which a board is unable to conduct business and the public is foreclosed from participating in government for lack of a quorum. As volunteers, most members of state and county boards and commissions have obligations that from time to time prevent them from attending a board meeting. More often, however, travel time to and from a board meeting is what keeps them from attending a meeting. Your Committee further finds that this measure will allow board members to participate in their boards' meetings from locations closer to their homes, offices, or other locations.

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. 2737 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. 2115 (Majority) Economic Development and Technology on S.B. No. 2226

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, effective 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 Hawaii Association of REALTORS; Retail Merchants of Hawaii; Hawaii Government Employees Association, AFSCME Local 152 AFL-CIO; and Walgreen Company. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that e-commerce is one of the few consistently bright spots in the nation's economic recovery. In 2011, holiday web sales alone topped \$37,000,000,000 for November and December, a fifteen percent increase over 2010. This compares with more modest growth of four percent for all retail sales during the same period. While it is difficult to assign a specific percentage of that expenditure to Hawaii, it still represents significant potential for tax revenue to the State.

The Streamlined Sales and Use Tax Agreement is the result of the cooperative effort of forty-four states, the District of Columbia, local governments, and the business community to simplify sales and use tax collection and administration by retailers and states. To date, twenty-four of the forty-four states have passed the conforming legislation. Those states have a total population of 92,781,860 representing thirty-three percent of the population. In addition to this measure before your Committee, conforming legislation has been introduced in California, Florida, Illinois, Maine, Massachusetts, Missouri, Texas, and Virginia.

In July 2011, S. 1452, the Mainstreet Fairness Act, was introduced in the United States Senate to promote simplification and fairness in the administration and collection of sales and use taxes. This was followed in November 2011, by S. 1832, the Marketplace Fairness Act, to address a states' rights issue: preserving the right of states to collect, or decide not to collect, sales and use taxes that are already owed under state law.

Your Committee believes that the State of Hawaii would benefit tremendously by adopting legislation that would enable the State to be in compliance with the Streamlined Sales and Use Tax Agreement.

Your Committee has amended this measure by:

- (1) Amending the purpose section to include additional information regarding the current status of the Streamlined Sales and Use Tax Agreement and related federal legislation; and
- (2) Making a technical, nonsubstantive amendment for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2226, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Baker).

SCRep. 2116 (Joint) Economic Development and Technology and Public Safety, Government Operations, and Military Affairs on S.B. No. 2239

The purpose and intent of this measure is to exempt community-based economic development program grants from the procurement code; clarify that the Hawaii Strategic Development Corporation is the expending agency for the hydrogen investment capital special fund; and repeal the High Technology Innovation Corporation.

Your Committees received testimony in support of this measure from the Hawaii Strategic Development Corporation and High Technology Development Corporation. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism and testimony in opposition from the State Procurement Office.

Your Committees find that although the procurement code provides for safeguards in procuring contracts between state and private entities, exempting the grants from the community-based economic development program from the procurement code is consistent with the legislative intent when establishing the community-based economic development program, which was enacted in 1990 prior to the procurement code's enactment in 1993.

Your Committees also find that the Hawaii Technology Innovation Corporation was created to facilitate the growth and development of the commercial high technology industry at a time that the prior administration had reduced general fund support to the High Technology Development Corporation; and the High Technology Innovation Corporation's non-profit status was established as a replacement funding mechanism. Since your Committees recommend continuing state general fund support for the High Technology Development Corporation, the High Technology Innovation Corporation non-profit is no longer necessary.

Your Committees further find that the Hawaii Strategic Development Corporation has been requested to provide active oversight over the hydrogen investment capital special fund due to staff changes in the Department of Business, Economic Development, and Tourism. This measure will clarify that the Hawaii Strategic Development Corporation is the expending agency for monies in the special fund.

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. 2239 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, 3. Noes, none. Excused, 2 (Kidani, Ryan).

SCRep. 2117 Transportation and International Affairs on S.B. No. 2960

The purpose and intent of this measure is to prohibit the Department of Transportation from assessing landing fees upon air carriers operating turboprop engine air craft that provide interisland service, except between the most populous island in the State and any other island in the State.

Your Committee received testimony in opposition of this measure from the Department of Transportation, State Attorney General, and the Airlines Committee of Hawaii. Comments were received from Hawaiian Airlines.

Your Committee finds that the intent of this measure is to lessen the financial burden on air carriers servicing vital rural airports, thereby mitigating the chance of a discontinuance or reduction of flights to rural airports.

Your Committee has amended this measure by deleting the reference to turboprop engine air craft, on the recommendation of the Attorney General based on a conflict with federal regulations and unjust discrimination among air carriers.

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. 2960, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2960, 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 (Dela Cruz, Slom).

SCRep. 2118 Transportation and International Affairs on S.B. No. 2977

The purpose and intent of this measure is to provide an aviation fuel tax credit for interisland airplane carriers that use turbo propeller airplanes.

Your Committee received testimony in opposition of this measure from the State Department of Transportation. Comments were received from the Department of Taxation, State Attorney General, Tax Foundation, and Hawaiian Airlines.

Your Committee finds that interisland airplane carriers provide needed competition in the interisland aviation market by setting lower fares. Any reduction in costs to these carriers would enable the carriers to keep fares low, which benefits interisland air travelers.

Your Committee has amended this measure on the recommendation of the Department of Taxation and the State Attorney General by amending chapter 243, Hawaii Revised Statutes, relating to fuel taxes, rather than chapter 235, Hawaii Revised Statutes, relating to income taxes.

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. 2977, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2977, 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 (Dela Cruz, Slom).

SCRep. 2119 Transportation and International Affairs on S.B. No. 2874

The purpose and intent of this measure is to provide the Department of Transportation with more options to generate revenue from non-aeronautical users of airport property.

Your Committee received testimony in support of this measure from the Department of Transportation. Comments were received from the Office of Hawaiian Affairs and the Airlines Committee of Hawaii.

Your Committee finds that the Department of Transportation relies on revenue from airline operations, facility and space rental from aeronautical and airport-related users, revenues from concessions, and, to a very small extent, facility and space rentals from non-aeronautical or non-airport-related users. The smallest of the revenue generators is by far non-aeronautical rentals. However, the non-aeronautical revenue segment could be increased, without changing the nature of airports, by allowing additional flexibility in contracting with such users. Increasing the opportunities for revenue generation at airports from non-aeronautical users is essential to the maintenance of a healthy and self-supporting airport system.

Your Committee has amended this measure by:

- (1) Deleting language in existing law that requires leases to contain a clause allowing repossession of the property by the Department of Transportation when needed for aeronautics purposes, as this has caused difficulty for some airport tenants in getting financing;
- (2) Changing the effective date to June 29, 2012, to perpetuate the amendments made to section 261-7(a), 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2874, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2874, 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 (Dela Cruz, Slom).

SCRep. 2120 Transportation and International Affairs on S.B. No. 2946

The purpose and intent of this measure is to:

- (1) Extend the increase in the rental motor vehicle surcharge tax to \$7.50 per day until June 30, 2013, and deposit \$4.50 per day of the tax into the general fund until June 30, 2013; and
- (2) Extend the suspension of the rental motor vehicle customer facility charges until June 30, 2013.

Your Committee received testimony in opposition to this measure from Hertz Corporation and Avis Budget Group. Comments were received from the State Departments of Transportation, Taxation, and Budget and Finance, Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental, and the Tax Foundation of Hawaii.

Your Committee finds that the rental motor vehicle surcharge tax was created to provide a funding source to build consolidated rental car facilities at airports throughout the State.

According to testimony of the Department of Transportation, the Airports Division has the following projects planned, which will utilize the rental motor vehicle surcharge tax as a means of financing:

- (1) Honolulu International Airport Consolidated Car Rental Facility Design; Project Cost \$22,500,000;
- (2) Honolulu International Airport Consolidated Car Rental Facility Roadway Improvements; Project Cost \$11,600,000;
- (3) Honolulu International Airport Consolidated Car Rental Facility Interim Facility; Project Cost \$43,000,000;
- (4) Honolulu International Airport Consolidated Car Rental Facility; Project Cost \$270,000,000;
- (5) Kahului Airport Consolidated Car Rental Facility Design; Project Cost \$8,000,000;
- (6) Kahului Airport Consolidated Car Rental Facility; Project Cost \$180,000,000; and
- (7) Kahului Airport Access Road and Parking Improvements; Project Cost \$67,000,000.

Your Committee has amended this measure by adding an authorization to issue airport revenue bonds in an amount not to exceed \$500,000,000 for airport capital improvement projects.

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. 2946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2946, 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 (Dela Cruz, Slom).

SCRep. 2121 Transportation and International Affairs on S.B. No. 3040

The purpose and intent of this measure is to exempt from the rental motor vehicle and tour vehicle surcharge tax, vehicles that are rented by a car-sharing organization to members of the organization on an hourly basis.

Your Committee received testimony in support of this measure from the Blue Planet Foundation, Sierra Club Hawai'i Chapter, Green Car Hawaii, and six individuals. Testimony in opposition was received from the Department of Transportation and one individual. Comments were received from the Department of Taxation, Enterprise Rent-A-Car, and Tax Foundation of Hawaii.

Your Committee finds that many individuals and households in Hawaii do not need to own a car; rather they would just like access to a vehicle when needed. Car-sharing programs would provide another mobility alternative for individuals and households and, perhaps for some, obviate the need to purchase and own a vehicle. Car-sharing provides the benefits of having a vehicle when needed while avoiding the cost and hassle of car ownership. This measure is intended to remove one cost barrier to car-sharing by exempting car-sharing organizations from the rental vehicle surcharge tax.

Your Committee further finds that car-sharing is a green transportation innovation that significantly reduces vehicle miles traveled, oil imports, greenhouse gas emissions, and household transportation costs for Hawaii residents. Car-sharing is a fairly new transportation innovation in the United States, that has emerged only in the last ten years. It is essentially membership-based hourly car rental. Unlike traditional car rentals, however, car-sharing is not aimed at tourists or individuals who are getting personal vehicles repaired. Car-sharing members are people who either cannot afford to or prefer not to own their own vehicles, but occasionally need access to vehicles to run errands. Car-sharing enables them to enjoy the benefits of automobile access without the high fixed costs and other concerns that come with car ownership.

Your Committee has amended this measure by:

- (1) Clarifying the definition of car-sharing organization for tax purposes and making conforming amendments throughout the measure;
- (2) Restricting the period of tax exemption to not more than six hours per day per vehicle; 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3040, 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 (Dela Cruz, Slom).

SCRep. 2122 Transportation and International Affairs on S.B. No. 2337

The purpose and intent of this measure is to provide the Department of Transportation with the authority and discretion to reach an agreement with an airport concession to modify the terms of any concession lease or permit, in exchange for revenue-enhancing improvements that are made or paid for by the concession.

Your Committee received testimony in support of this measure from the Department of Transportation; Airport Concessionaires Committee; Greeters of Hawaii; Tiare Enterprises; HMS Host; Island Shoppers, Inc.; and International Currency Exchange. Testimony in opposition was received from the Office of Hawaiian Affairs.

Your Committee finds that modernization and improvements at Hawaii's airports concessions have not kept pace with passenger needs and demands. A recent study by the State indicates that various areas at our public airports are lacking in concession space by as much as forty percent. The study finds that Hawaii's public airports are not maximizing the revenues they could be receiving from airport concession operations if additional concession spaces were provided and locations were also improved. These improvements reportedly would not only pay for themselves but would also generate additional revenues for Hawaii's public airports. The Department of Transportation needs to fast-track construction and encourage improvements that will not only benefit Hawaii's public airports but also provide critical jobs and help stimulate Hawaii's economy.

Your Committee has amended this measure by:

- (1) Adding to the authority of the Department of Transportation under this measure the authority to modify, alter, or amend concession contracts; 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. 2337, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2337, 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 (Dela Cruz, Slom).

SCRep. 2123 (Majority) Judiciary and Labor on S.B. No. 2060

The purpose and intent of this measure is to allow the court to order a defendant to transport a material witness to court in situations where the defendant resides with the witness, or the defendant has sole physical or legal custody of the witness.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Department of the Prosecuting Attorney of the County of Maui. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that approximately ten domestic violence cases each year do not proceed to trial because the court does not have statutory authority to order the defendant to transport a minor, elderly, or incapacitated witness to court. Although the Department of the Prosecuting Attorney of the City and County of Honolulu has tried various measures to secure the presence of these witnesses via subpoena, guardian ad litem, or other means, some cases do not proceed to trial because the defendant, as sole guardian or cohabitant of the witness, has actual or effective control over the witness' ability to appear in court.

Your Committee recognizes that this measure proposes to place the burden on the defendant to present evidence that could potentially secure a conviction against the defendant's self. Your Committee finds that this measure relates to domestic violence cases involving the abuse of a minor, elderly person, or incapacitated person. Moreover, this measure provides an additional tool for a judge to compel a witness to appear in court under these circumstances relating to domestic violence.

As such, your Committee believes that this issue merits further discussion and the language needs further streamlining to prevent unintended consequences while ensuring that domestic violence cases are brought to trial. Your Committee notes that the Judiciary did not submit written testimony and urges the Judiciary to participate in the ongoing discussion as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2060, 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. 2124 Judiciary and Labor on S.B. No. 2508

The purpose and intent of this measure is to amend the filing deadlines for preliminary and supplemental campaign spending reports to align with existing law or present practice.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and Common Cause Hawaii.

Your Committee finds that the date of the primary election was advanced from the last Saturday in September to the second Saturday in August. This measure changes the existing statutory deadline for filing a candidate's first preliminary campaign spending report from July 31 of an election year to thirty calendar days prior to a primary election to avoid back-to-back filing deadlines of July 31 and August 1, for the first and second preliminary primary campaign spending reports, respectively, and to align accordingly with the August primary election date.

Your Committee further finds that every candidate files a supplemental campaign spending report on January 31 of every year; not only after an election year, as stated under existing law. Thus, clarifying that these reports are due every year will align the statutory deadline with present practice.

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 S.B. No. 2508, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2508, 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. 2125 Judiciary and Labor on S.B. No. 2704

The purpose and intent of this measure is to enable the Department of the Attorney General to obtain funds necessary to prosecute civil claims of the State by retaining and depositing into the litigation deposits trust fund a percentage of any recovery from a civil action or settlement initiated or filed by the department as well as all recoveries from false claim actions.

Your Committee received testimony in support of this measure from the Department of the Attorney General. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee finds that the Department of the Attorney General requests funds to initiate litigation of major claims of the State in order to hire staff, experts, or a special deputy. Major litigation, which is often document intensive, requires manpower that is not readily available to assign to these types of cases. This measure enables the department to obtain the funds necessary to hire the staff and expertise to prosecute major cases by retaining and depositing into the litigation deposits trust fund fifteen percent of any recovery from a civil action or settlement initiated or filed by the department as well as all recoveries from false claim actions.

Your Committee has amended this measure by:

- (1) Reinstating the language that exempts from deposit into the litigation deposits trust fund proceeds from actions involving departments that are able to procure their own legal services, as requested by the Department of Commerce and Consumer Affairs; 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. 2704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2704, 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. 2126 Judiciary and Labor on S.B. No. 2700

The purpose and intent of this measure is to make an emergency appropriation to satisfy twenty-four claims against the State and its officers or employees for fiscal year 2011-2012, because the requested funds were not appropriated during the previous regular legislative session.

Your Committee received testimony in support of this measure from the Department of the Attorney General; the Judiciary; and the Department of Education.

Your Committee finds that during the regular session of 2011, a request was made to the Legislature for funds to satisfy judgments and settlements of claims against the State for fiscal year 2010-2011. Those requested funds were not appropriated and as a result, claimants sought or threatened to initiate legal action against the State. This measure seeks an emergency appropriation to satisfy twenty-four judgments and settlements totaling \$5,790,697.12 in order to avoid further legal action and expense.

Your Committee has amended this measure by:

- (1) Correcting language to accurately request that funds be appropriated out of the harbor special fund, rather than the State harbor fund, to settle certain claims; 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. 2700, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2700, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2127 Education on S.B. No. 2651

The purpose and intent of this measure is to extend the lapse date of the issuance of special purpose revenue bonds authorized by Act 116, Session Laws of Hawaii 2007, to assist Hawaii Preparatory Academy from June 30, 2012, to June 30, 2017.

Your Committee received testimony in support of this measure from Hawaii Preparatory Academy, Hawaii Association of Independent Schools, The Kohala Center, and four individuals.

Your Committee finds that this measure will enable Hawaii Preparatory Academy to make necessary improvements to its two campuses on the island of Hawaii.

Your Committee has amended this measure by:

- (1) Adding language to specify that special purpose revenue bonds may be issued in a total amount not to exceed \$50,000,000, to refund the special purpose revenue bonds authorized by Act 116, Session Laws of Hawaii 2007; and
- (2) Making a technical, nonsubstantive amendment to change the lapsing date to June 28, 2017, in order to avoid violating the five-year authorization period for special purpose revenue bonds in section 39A-257, 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. 2651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2651, 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. 2128 Education on S.B. No. 2527

The purpose and intent of this measure is to:

- (1) Amend section 302A-1151.5, Hawaii Revised Statutes, to require the Department of Education to give charter schools and pre-plus programs the right of first refusal to occupy all or a portion of public school facilities the Department is considering for closure; provided that in the event that no charter school or pre-plus program accepts an offer to use the public school's facilities, the facilities may be used for any other purpose the Board of Education deems appropriate; and
- (2) Require the Department of Education to identify unused public schools facilities for possible use by charter schools, early learning programs, or for any other purpose the Board of Education deems appropriate.

Your Committee received testimony in support of this measure from the Department of Human Services, Charter School Administrative Office, Office of Hawaiian Affairs, and Kewalo Hawaiian Homestead Community Association. Your Committee received testimony in opposition to this measure from the Department of Education and Hawaii Carpenters Union.

Your Committee finds that this measure will provide pre-plus programs and early learning programs the opportunity to occupy or use public school facilities that the Department of Education is considering for closure. Your Committee understands the concerns of the Department of Education in requiring it to give charter schools and pre-plus programs the right of first refusal to occupy and use these facilities when the facilities may have an alternative best use by the Department.

As such, your Committee has amended this measure by:

- (1) Removing language giving charter schools and pre-plus programs the right of first refusal to occupy all or a portion of public school facilities the Department of Education is considering for closure;
- (2) Specifying that the Department of Education may consider making all or portions of facilities of public schools being considered by the Department for closure available to charter schools and pre-plus programs; provided that the facilities may be used by the Department for any other purpose the Board of Education deems appropriate;
- (3) Changing the effective date to July 1, 2050, to ensure 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2527, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2527, S.D. 1, and be 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. 2129 (Majority) Education on S.B. No. 2620

The purpose and intent of this measure is to repeal the Regents Candidate Advisory Council for the Board of Regents of the University of Hawaii (Council).

Your Committee received testimony in support of this measure from the Governor. Your Committee received testimony in opposition to this measure from the Regents Candidate Advisory Council of the University of Hawaii, Association of Emeritus Regents of the University of Hawaii, and three individuals.

Your Committee finds that since the establishment of the Council pursuant to a constitutional amendment in 2006, the Senate has denied the confirmation of candidates to the Board of Regents on several occasions. This measure will provide the Governor with the authority to more directly appoint highly qualified members to the Board of Regents of the University of Hawaii rather than being obligated to appoint from a limited list of names provided by the Council.

Your Committee has amended this measure by:

- (1) Adding language to clarify that current members of the Council shall continue to serve their full terms of office and as each term expires, each member will be replaced by a member nominated and, with the advice and consent of the Senate, appointed by the Governor pursuant to this measure;
- (2) Clarifying that this measure shall take effect upon the ratification of a constitutional amendment repealing the constitutional requirement that the Governor make appointments to the Board of Regents of the University of Hawaii from pools of candidates presented to the Governor by the Council; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2620, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Chun Oakland). Excused, 1 (Taniguchi).

SCRep. 2130 (Majority) Education on S.B. No. 2005

The purpose and intent of this measure is to propose a constitutional amendment to article X, section 6, of the Hawaii State Constitution to modify the appointment process for members of the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of this measure from the Governor. Your Committee received testimony in opposition to this measure from the Regent Advisory Council of the University of Hawaii, Association of Emeritus Regents of the University of Hawaii, and three individuals.

Your Committee finds that since the establishment of the Candidate Advisory Council for the Board of Regents of the University of Hawaii (Council) pursuant to a constitutional amendment in 2006, the Senate has denied the confirmation of candidates to the Board of Regents on several occasions. This measure proposes a constitutional amendment to give the Governor the authority to more directly appoint highly qualified members to the Board of Regents of the University of Hawaii rather than being obligated to appoint from a limited list of names provided by the Council.

Your Committee has amended this measure by revising the question to be printed on the ballot to more accurately describe the proposed amendment. As amended, the ballot question posed is whether the constitutional requirement that the Governor make appointments to the Board of Regents from pools of candidates presented to the Governor by the Council should be repealed.

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. 2005, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2005, 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 (Chun Oakland). Excused, 1 (Taniguchi).

SCRep. 2131 Education on S.B. No. 2546

The purpose and intent of this measure is to:

- (1) Add a new section to chapter 304A, Hawaii Revised Statutes, to amend the form and function of the Candidate Advisory Council for the Board of Regents of the University of Hawaii (Council); and
- (2) Repeal section 304A-104.5, Hawaii Revised Statutes, relating to the current form and function of the Council.

Your Committee received testimony in support of this measure from the Governor. Your Committee received testimony in opposition to this measure from the Regents Candidate Advisory Council of the University of Hawaii, Association of Emeritus Regents of the University of Hawaii, and three individuals.

Your Committee finds that while the Council has fielded many outstanding appointees to the Board of Regents, substantive concerns have been raised as to the selection process. Since the passage of Act 56, Session Laws of Hawaii 2007, to implement the amendments to article X, section 6 of the Hawaii State Constitution by establishing the Council, your Committee is aware of a number of issues resulting from the new method of Regents selection, which has hampered the work of the Council and led to questions regarding the final selection of appointees during the Senate confirmation process. This measure will reconstitute the form and processes of the Council to maximize the Governor's ability to appoint qualified and able individuals to serve as members of the Board of Regents and effectively lead the University of Hawaii.

Your Committee has amended this measure by clarifying that the members who are currently serving on the Council shall continue to serve until the Council is reconstituted by the Governor's appointment of five, rather than six, members of the Council 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. No. 2546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2546, 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 (Taniguchi).

SCRep. 2132 (Joint) Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing on S.B. No. 2355

The purpose and intent of this measure is to utilize a public-private partnership to develop additional incarceration space on state land at Halawa Correctional Facility in exchange for a long-term lease to develop the transit-oriented development zone near Oahu Community Correctional Center.

Your Committees received testimony in support of this measure from the Department of Public Safety.

Your Committees find that the inmate population at Halawa Correctional Facility has reached its maximum capacity and that there needs to be additional incarceration space developed at Halawa Correctional Facility to alleviate overcrowding, eliminate the transfer of Hawaii inmates to jurisdictions outside of the State, and reduce the long-term costs of incarcerating people in this State.

Your Committees also find that a portion of the planned route of the mass transit rail system is on Dillingham Boulevard across from Oahu Community Correctional Center and includes a fixed guideway station nearby in Kalihi. Development of a Kalihi station transit-oriented development zone would enable the residents of Kalihi and the users of the mass transit rail system to enjoy better services and amenities as well as an improved quality of life.

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. 2355 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Kidani, Tokuda).

SCRep. 2133 Public Safety, Government Operations, and Military Affairs on S.B. No. 2771

The purpose and intent of this measure is to make an emergency appropriation for the reimbursement of funds to the Department of Defense incurred by its Corrections and Law Enforcement Divisions in providing security, arrest teams, transport teams, dignitary escort, and protection units for the Asia-Pacific Economic Cooperation meetings that were held in November of 2011.

Your Committee received testimony in support of this measure from the Department of Public Safety, State Department of Defense, and State Attorney General.

Your Committee finds that a critical fiscal need exists for the reimbursement of the costs of providing emergency management, public safety, and security services in preparation for and during the Asia-Pacific Economic Cooperation meetings held in November

2011. Seven state departments have identified expenditures made for the management, safety, and security required to host the event. Although federal reimbursement for these costs is being applied for, reimbursement is not guaranteed and also not likely to be received within the current fiscal year.

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. 2771 and recommends that 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. 2134 (Joint) Public Safety, Government Operations, and Military Affairs and Energy and Environment on S.B. No. 2302

The purpose and intent of this measure is to create a community giveback fee to help groups perform activities and services for the greater good of their communities.

Your Committees received testimony in support of this measure from fifteen individuals. Testimony in opposition was received from the Department of Health and Honolulu Department of Environmental Services.

Your Committees find that communities in which landfills and other disposal sites are located bear a disproportionately heavy burden in meeting community needs. Violators of environmental health laws need to be responsible to help those communities they harm by paying an additional penalty.

Your Committees have amended this measure by:

- (1) Deleting the allocation of the collected community giveback fees to nonprofit organizations;
- (2) Adding a requirement that twenty-five percent of the amount of the penalty shall be deposited into a separate account of the general fund for distribution by the Department of Education in equal amounts to every high school within a ten-mile radius of the landfill which incurred the penalty; 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 Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2302, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2302, 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 (Green, Slom).

SCRep. 2135 Agriculture on S.B. No. 2354

The purpose and intent of this measure is to establish criminal penalties for failure to maintain a certificate of ownership or other written proof of ownership of agricultural commodities.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation; Hawaii Farmers Union; and W.H. Shipman, Limited. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that agricultural theft is a serious problem for many farmers in the State and existing laws are not stringent enough to stop potential thieves. This measure may serve as a greater deterrent of agricultural theft by making the failure to maintain certificates of ownership or other written proof of ownership of agricultural commodities a criminal offense.

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. 2354 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, 3 (Chun Oakland, Tokuda, Slom).

SCRep. 2136 (Joint) Agriculture and Transportation and International Affairs on S.B. No. 2331

The purpose and intent of this measure is to appropriate funds to the Agribusiness Development Corporation for the operation of a boat or ferry to assist with interisland shipping of livestock and produce.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau Federation, Leahi Foundation, and one individual. Your Committees received testimony in opposition to this measure from the Environmental Caucus of the Democratic Party of Hawaii and three individuals. Your Committees received comments on this measure from the Agribusiness Development Corporation and Young Brothers, Limited.

Your Committees find that Hawaii faces unique transportation issues, particularly in the movement of agricultural commodities and livestock. In 2008, a report entitled "The Demand for Interisland Shipping and the Impact of Shipping Costs on Hawaii Agricultural Production" (Report) was submitted to the Agribusiness Development Corporation which contained several recommendations for the Agribusiness Development Corporation to consider.

As such, your Committees have amended this measure by:

- (1) Removing the appropriation to the Agribusiness Development Corporation for the operation of a boat or ferry to assist with interisland shipping of livestock and produce;

- (2) Adding language to authorize the Agribusiness Development Corporation to implement the recommendations contained in the Report and enter into public-private partnerships with private transportation carriers to implement the recommendations;
- (3) Requiring the Agribusiness Development Corporation to report to the Legislature on the status of implementation no later than twenty days prior to the convening of the Regular Session of 2013;
- (4) Changing the effective date of this measure from July 1, 2012, to upon approval; and
- (5) 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 Agriculture 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. 2331, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2331, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chun Oakland, Espero, Gabbard, Tokuda, Slom).

SCRep. 2137 Agriculture on S.B. No. 2646

The purpose and intent of this measure is to exempt specified nonresidential agricultural and aquacultural buildings and structures, and their appurtenances, located on commercial farms from building permit requirements other than applicable electric and wastewater regulations.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation; Oceanic Institute; Mokuleia Aquafarm; High Health Aquaculture, Inc.; Shrimp Improvement Systems Hawaii, LLC; W.H. Shipman, Limited; Hawaii Aquaculture and Aquaponics Association; Hawaii Livestock Farmers Coalition; Aquaponics Hawaii; Hawaii Taro Company; Molokai Sea Farms; Kuahiwi Ranch; Aquaculture Planning and Advocacy, LLC; Matsuda-Fukuyama Farms; Hawaii Farmers Union; and six individuals. Your Committee received testimony in opposition to this measure from the Department of Agriculture. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee finds 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.

Your Committee further finds that several other jurisdictions in the United States have either state statutes or county codes that exempt agricultural buildings from zoning, building code, and building permit requirements. For example, Iowa, Illinois, and Arizona have exempted agricultural buildings from such requirements under the concept of “the right to farm.” In adopting this measure and removing burdensome obstacles for Hawaii’s agricultural and aquacultural communities, the State will be supporting the wording and intent of article XI, section 3, of the Hawaii State Constitution, which requires the State to “promote diversified agriculture” and “increase agricultural self-sufficiency”.

In addition, your Committee finds that this measure addresses the needs of Hawaii’s agricultural and aquaculture community while being mindful of health and safety concerns.

Lastly, 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. This measure will eliminate a time consuming and costly obstacle to the construction of essential agricultural and aquacultural infrastructure while helping to improve the economic viability of Hawaii agricultural and aquacultural sectors without any financial cost to the State.

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. 2646 and recommends that it pass Second Reading and be referred to the Committee on Public Safety, Government Operations, and Military Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Chun Oakland, Tokuda, Slom).

SCRep. 2138 Agriculture on S.B. No. 2460

The purpose and intent of this measure is to:

- (1) Allow monies in the pest inspection, quarantine, and eradication fund to be expended for the electronic importer manifest program of the Department of Agriculture; and
- (2) Make an appropriation in an unspecified amount to the Department of Agriculture from the pest inspection, quarantine, and eradication fund to implement the electronic importer manifest program.

Your Committee received testimony in support of this measure from the Department of Agriculture, The Nature Conservancy of Hawaii, Hawaii Crop Development Association, Hawaii Farm Bureau Federation, Environmental Caucus of the Democratic Party of Hawaii, and Hawaii Farmers Union.

Your Committee finds that this measure will support the Department of Agriculture’s efforts to make agricultural inspection more efficient and cost effective. In addition, this measure will help expand the Department of Agriculture’s technological capacity to help protect Hawaii from invasive species.

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. 2460 and recommends that 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, Tokuda, Slom).

SCRep. 2139 Human Services on S.B. No. 2798

The purpose and intent of this measure is to require all commercial health care insurers operating in Hawaii to timely share with the Department of Human Services a listing of the insurers' members for a cross-reference check of prospective and current Medicaid beneficiaries.

Your Committee received testimony in support of this measure from the Department of Human Services, the Consumer Family & Youth Alliance, Papa Ola Lokahi, and one individual. Your Committee received comments on this measure from the Insurance Division of the Department of Commerce and Consumer Affairs, the Hawaii Association of Health Plans, and HMSA.

Your Committee finds that when Congress passed the Deficit Reduction Act of 2005, P.L. 109-171, it made a number of amendments to the Social Security Act intended to strengthen states' ability to identify and collect from liable third party payors that are legally responsible to pay claims primary to Medicaid. This measure will assist the Department of Human Services in collecting amounts that are payable by third party payors before the amounts are payable by Medicaid, which is the payor of last resort for health insurance.

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. 2798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2798, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Slom).

SCRep. 2140 Human Services on S.B. No. 2093

The purpose and intent of this measure is to:

- (1) Provide for fair Medicaid reimbursements to acute care hospitals and long-term care facilities for the services they provide to Medicaid patients who have been treated and who have recovered sufficiently so that they may be transferred to long-term care, but for whom long-term care is not available; and
- (2) Appropriate funds for increased Medicaid reimbursements.

Your Committee received testimony in support of this measure from the Consumer Family & Youth Alliance, the Hawaii Disability Rights Center, the Hawaii Health Systems Corporation, the Healthcare Association of Hawaii, Kaiser Permanente, the Policy Advisory Board for Elder Affairs, 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 on any given day there is on average one hundred fifty patients in Hawaii's hospitals who have been treated and who have recovered sufficiently to be transferred to a long-term care facility. These patients are placed on a waitlist for days, weeks, months, or in some cases over a year because long-term care is not available. This represents an inappropriate quality of care for the patient and creates a serious financial drain on hospitals. Your Committee further finds that establishing Medicaid reimbursements at a level that is at least equal to the rate paid for acute care services and compensating hospitals and long-term care facilities at rates that are commensurate with the level of care that is required for the patient will help acute hospitals bear the financial burden of continuing care for patients who are waitlisted for placement in a long-term care facility or who have complex medical conditions.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2014; 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. 2093, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2093, 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. 2141 Human Services on S.B. No. 2092

The purpose and intent of this measure is to:

- (1) Establish presumptive Medicaid eligibility for patients who are waitlisted for a long-term care facility; and
- (2) Appropriate funds to cover the cost of any reimbursement made to providers or plans for service during the time the waitlisted patients are enrolled in Medicaid but eventually determined to be ineligible for Medicaid.

Your Committee received testimony in support of this measure from the Consumer Family & Youth Alliance, the Hawaii Disability Rights Center, the Hawaii Health Systems Corporation, the Healthcare Association of Hawaii, Kaiser Permanente, the Policy Advisory Board for Elder Affairs, The Chamber of Commerce of Hawaii, and two individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that on any given day there is on average one hundred fifty patients in Hawaii's hospitals who have been treated to be well enough to be transferred to a long-term care facility. These patients are placed on a waitlist for days, weeks, months, or in some cases over a year because long-term care is not available. This represents an inappropriate quality of care for the patient and creates a serious financial drain on hospitals. Your Committee further finds that the provision of presumptive Medicaid eligibility will alleviate the current problem experienced by hospitals as well as patients who are waitlisted.

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. 2092, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2092, 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. 2142 (Majority) Commerce and Consumer Protection on S.B. No. 2412

The purpose and intent of this measure is to provide for the prompt payment of subcontractors by shortening the time in which subcontractors must receive progress and final payment from contractors on government and private construction contracts, and to provide for interest penalties for late payments.

Your Committee received testimony in support of this measure from the Ironworkers Stabilization Fund, Subcontractors Association of Hawaii, and Steel Fabricators and Erectors of Hawaii. Your Committee received testimony in opposition to this measure from the City and County of Honolulu Department of Design and Construction, Building Industry Association of Hawaii, and General Contractors Association of Hawaii.

Your Committee finds that the amendments proposed by this measure would require parties to government and private sector construction contracts to comply with certain time constraints to allow subcontractors to receive prompt payment for work they have done on construction contracts.

Your Committee understands the concerns that the requirements of this measure may not be achievable on complex construction projects, and that existing laws and rules may already address this issue. However, your Committee also understands that some subcontractors are still experiencing delays in payment. Your Committee therefore concludes that further discussion on this measure is warranted.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2412, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2412, 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 (Taniguchi). Noes, 1 (Slom). Excused, 3 (Galuteria, Green, Nishihara).

SCRep. 2143 Commerce and Consumer Protection on S.B. No. 2764

The purpose and intent of this measure is to require anyone providing mortgage loan origination services to be licensed as a mortgage servicer.

Your Committee received testimony in support of this measure from the Division of Financial Institutions of the Department of Commerce and Consumer Affairs.

Your Committee finds that persons acting as mortgage servicers provide a range of services, including some mortgage loan modification services that could be considered mortgage loan originator activities. Your Committee further finds that a mortgage servicer license cannot take the place of a mortgage loan originator's license if a person is providing mortgage loan originator services. This measure seeks to ensure that anyone who provides mortgage loan origination services is licensed to do so, even if that person is already licensed as a mortgage servicer.

Your Committee additionally finds that this measure allows the Insurance Commissioner to require mortgage servicers to register with the Nationwide Mortgage Licensing System if necessary, and provides the Insurance Commissioner with more discretion when imposing fines for violations.

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. 2764 and recommends that 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. 2144 Commerce and Consumer Protection on S.B. No. 2112

The purpose and intent of this measure is to extend to January 1, 2018, the sunset date of Act 166, Session Laws of Hawaii 2007 (Act 166), thereby extending the exemption from taxation of capital gains realized from the sale of a leased fee interest in condominium units to associations of apartment owners or residential cooperative corporations.

Your Committee received testimony in support of this measure from Hawai'i Association of REALTORS, Hawaii Council of Associations of Apartment Owners, and Monarch Properties, Inc. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that there have been eighteen condominium association and cooperative housing corporation purchases since the tax exemptions under Act 166, became available. Testimony received by your Committee indicates that these sales involved 1,482 units and approximately \$107,000,000 in sale proceeds that would have been taxable without the exemptions provided by Act 166.

Your Committee further finds that extending the sunset date of Act 166 will incentivize landowners to sell their multi-family residential leased fee interests. Fee sales provide permanent fee simple ownership for many residential lessees and benefit the State by providing valuable state income tax and conveyance tax revenue.

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. 2112 and recommends that 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 (Galuteria, Solomon).

SCRep. 2145 (Majority) Commerce and Consumer Protection on S.B. No. 2762

The purpose and intent of this measure is to provide the Commissioner of Financial Institutions with the authority to require money transmitters to register with the Nationwide Mortgage Licensing System, amend the fee structure for services provided by the Division of Financial Institutions for the regulation of money transmitters, and amend the fine for violations of money transmitter regulations.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the Division of Financial Institutions in the Department of Commerce and Consumer Affairs regulates money transmitter companies that transfer money domestically or internationally outside of the conventional financial institutions system. The Division's regulations protect the consumer by ensuring that these companies understand the rules and responsibilities regarding money transmission and can provide services for their customers accordingly.

Your Committee further finds that there has been a national discussion about the possibility of requiring money transmitters to register with the Nationwide Mortgage Licensing System. This measure would provide the Commissioner of Financial Institutions with the authority to mandate this registration if necessary.

Your Committee additionally finds that the Division of Financial Institutions has been inundated with new money transmitter applications. Many of these companies are off-shore and require more complex review and analysis by the Division. This measure adjusts the fees to reflect the additional time and effort it takes to review new applications. This measure also adjusts fees for the review of renewal applications, amends the time required to provide mandated services to money transmitter companies, and amends the fine for violations of money transmitter regulations.

The Division of Financial Institutions estimates additional revenues of \$346,500, based on the proposed annual fee provisions in this measure. The proposed annual fee is calculated by the time it takes to review an application multiplied by \$60 an hour.

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. 2762 and recommends that 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, 1 (Slom). Excused, none.

SCRep. 2146 (Joint) Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on S.B. No. 2776

The purpose and intent of this measure is to require a pre-trial risk assessment of adult offenders to be conducted within three working days of admission to a community correctional facility; expand the membership of the Hawaii paroling authority and require the use of validated risk assessments to guide parole decisions; limit the length of incarceration for first-time parole violators; increase victim restitution payments by inmates; and require a period of supervised parole prior to the expiration of the maximum term.

Your Committees received testimony in support of this measure from the Governor, Department of Public Safety, Hawaii Paroling Authority, Crime Victim Compensation Commission, The Council of State Governments Justice Center, Hawaii Substance Abuse Coalition, Community Alliance on Prisons, Drug Policy Forum of Hawaii, American Civil Liberties Union of Hawai'i, and five individuals. Testimony in opposition was received from the Honolulu Prosecuting Attorney.

Your Committees find that:

- (1) Hawaii's pre-trial process is one of the longest in the nation. The pre-trial assessment process takes much longer in Hawaii (several months on average, whereas it takes just days or a few weeks in other jurisdictions) and budget cuts have caused these already long processes to be delayed even further. The result has been millions of dollars spent needlessly on a growing pre-trial population;
- (2) Inmate assessments are not currently being used appropriately to put the right people in the right programs, based on the research. As a result, offenders who are most likely to be successful upon release have been spending longer periods incarcerated because they are unable to get into rehabilitation and reintegration programs;
- (3) Hawaii often releases people who are most likely to reoffend back to the communities without the necessary supervision or monitoring. Parolees lacking supervision also lack accountability for their actions; and
- (4) Restitution for victims is inadequate.

This measure is a recommendation of the Council of State Governments Justice Center, which provided intensive technical assistance to Hawaii to conduct a comprehensive analysis of the State's criminal justice system and to help state leaders develop policy options that could increase public safety while saving taxpayer dollars. The Justice Center utilized a data-driven approach to identify inefficiencies, develop cost-effective policy options, and develop a plan for a reinvestment of savings that reduces recidivism and increases public safety.

The Justice Center concluded that despite a decline in crime over the past five years, the overall jail and prison population has not significantly changed. From July 1, 1999, to June 30, 2011, the State's prison and jail population grew eighteen percent, from 5,118 to 6,043. During the same period, expenditures for the corrections division of the department of public safety increased seventy percent, from \$112,000,000 to \$190,000,000. Approximately one-third of Hawaii's prison population is housed in out-of-state facilities on the mainland. The cost of housing these offenders out-of-state was \$45,000,000 from July 1, 2010, to June 30, 2011. The Justice Center's analysis found that key areas of the criminal justice system are not operating as cost-effectively as they could to reduce crime and increase public safety.

Your Committees believe that this measure would contribute to increasing public safety by:

- (1) Addressing the inefficiencies that tie up resources in ways that do not reduce crime and reinvesting in ways that do;
- (2) Focusing resources on supervision, incarceration, and treatment on those individuals who are most likely to benefit from those investments in terms of reducing their likelihood of committing another crime;
- (3) Increasing accountability in Hawaii's criminal justice system by mandating a period of supervision and increasing the amount of victim restitution collected; and
- (4) Bringing mainland prisoners home.

According to information provided by the Justice Center, fully implementing this measure could gradually reduce the current prison and jail population and generate savings of approximately 500 beds and \$9,000,000 by the end of fiscal year 2013, 850 beds and \$19,000,000 in fiscal year 2014, 1,050 beds and \$26,000,000 in fiscal year 2015, 1,150 beds and \$30,000,000 in fiscal year 2016, 1,200 beds and \$32,000,000 in fiscal year 2017, and 1,200 beds and \$32,000,000 in fiscal year 2018. Your Committees anticipate that these savings will be applied to initial and continued reinvestment in expanding and strengthening victim services, notification, and restitution collection; reentry and community-based treatment programs for pre-trial, probation, and parole populations; pre-trial and risk assessments; probation and parole officers; and research and planning staff at the Department of Public Safety.

The intent of your Committees is to realize cost savings and reinvest those savings back into the corrections system to reduce recidivism, decrease the prison population, and strengthen public safety. Your Committees strongly emphasize to your Committee on Ways and Means that implementation and success of this measure is ultimately contingent upon adequate funding. If it is determined that funding for this measure is inadequate, if savings are less than anticipated, or if substantive provisions are changed, then your Committees may consider withholding prior concurrence to any changes to this measure.

Your Committees have amended this measure by:

- (1) Clarifying the purpose section to include the most recent statistics and to provide cost savings analyses that could be utilized to apply the saved funds to other needed areas of improvement as contained in this measure;
- (2) Changing the membership of the Hawaii Paroling Authority to add two part-time members instead of one full-time member, and making an unspecified appropriation accordingly;
- (3) Adding that parole shall be granted upon completion of the minimum sentence unless the Hawaii Paroling Authority determines that the inmate poses a significant risk to the safety or property of other persons that can only be mitigated by additional incarceration; and applying that same standard to the retaking and reimprisonment for more than six months for a parole violation;
- (4) Adding an unspecified appropriation to implement this measure;
- (5) Requiring the Department of Public Safety to report to the Legislature annually for the next five years on specified information concerning the implementation of this measure and the commensurate cost savings;
- (6) Adding a savings clause; 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 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 S.B. No. 2776, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2776, 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 (Shimabukuro, Slom).

SCRep. 2147 Commerce and Consumer Protection on S.B. No. 2765

The purpose and intent of this measure is to update and streamline Hawaii's captive insurance company law and ensure that risk retention captive insurance companies comply with the accreditation standards of the National Association of Insurance Commissioners.

Your Committee received testimony in support of this measure from the Insurance Division of the Department of Commerce and Consumer Affairs; Hawaii Captive Insurance Council; Artex Risk Solutions, Inc.; Strategic Risk Solutions, Inc.; and Willis Management (Hawaii).

Your Committee finds that Hawaii is a leading captive insurance domicile, nationally and worldwide. Your Committee further finds that the captive insurance market is an important factor in Hawaii's economy. Captive insurance entities contribute premium tax revenue to the State. The formation and maintenance of captive business in Hawaii also generates significant revenue and benefits in the form of general excise, income, and transient accommodations taxes paid by service providers and others who do business with captive insurance companies.

This measure provides greater flexibility in the coverage of captive risks, enables the Insurance Commissioner to better regulate the captive insurance industry, ensures that risk retention captive insurance companies comply with the accreditation standards of the National Association of Insurance Commissioners, and promotes clarity and consistency throughout the captive insurance company law.

Your Committee finds that Hawaii is facing increased competition from other states and off-shore captive domiciles for captive insurance company business. It is critical that Hawaii's captive insurance law maintain an appropriate balance between meaningful yet reasonable regulatory oversight so that the State can maintain its stature as a competitive and preferred captive insurance domicile.

Your Committee understands that this measure contains some potential issues that may adversely affect the continued growth and prudent development of the State's captive insurance industry if not properly resolved. Your Committee notes that the Department of Commerce and Consumer Affairs and the Hawaii Captive Insurance Council have been engaged in discussions regarding these issues. Both parties agree that discussion should continue to ensure that Hawaii remains a preferred domicile in the increasingly competitive captive insurance marketplace.

Your Committee has amended this measure by:

- (1) Clarifying that a captive insurance company who writes direct workers' compensation insurance policies pursuant to chapter 386, Hawaii Revised Statutes, may be subject to article 15 of chapter 431, Hawaii Revised Statutes, if the captive insurance company is deemed insolvent;
- (2) Amending the definition of "controlled unaffiliated business" by removing the reference to "other direct or indirect relationship";
- (3) Amending the definition of "association" in section 431:19-101, Hawaii Revised Statutes, to mean two or more similarly placed members;
- (4) Repealing the exemption for the filing of risk-based capital reports by class 3 association captive insurance companies;
- (5) Specifying that the Insurance Commissioner may impose a fine of not less than \$100 nor more than \$10,000 per violation for certain violations;
- (6) Specifying requirements for notice by the Insurance Commissioner to captive insurance companies when the Insurance Commission suspends or revokes a certificate of authority or imposes a fine;
- (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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2765, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2765, 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. 2148 Economic Development and Technology on S.B. No. 2066

The purpose and intent of this measure is to amend sections 708-895.5, 708-895.6, and 708-895.7, Hawaii Revised Statutes, to:

- (1) Raise the minimum monetary value from \$5,000 to \$20,000, if unauthorized computer access in the first degree is charged based on the monetary value of information obtained;
- (2) Increase unauthorized computer access in the first degree from a class B to a class A felony;
- (3) Increase unauthorized computer access in the second degree from a class C to a class B felony; and
- (4) Increase unauthorized computer access in the third degree from a misdemeanor to a class C felony.

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 comments on this measure from the University of Hawaii System.

Your Committee finds that as society becomes increasingly reliant on the Internet for the storage and transfer of valuable and confidential information, it becomes equally tempting for would-be "hackers" to access computer networks and information systems without authorization. Expanding internet connectivity and the proliferation of mobile devices, such as tablets and smartphones, combined with the modern ease of creating or obtaining malware, have resulted in the rapid growth of online criminal activity.

Your Committee further finds that stricter penalties for unauthorized computer access will not only present a stronger deterrent for unauthorized computer access, but also emphasize to the public and would-be offenders that these types of activities will not be tolerated.

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. 2066 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 (Baker).

SCRep. 2149 Water, Land, and Housing on S.B. No. 2667

The purpose and intent of this measure is to establish a joint legislative committee on water security to delineate the meaning of water security and establish benchmarks to track improvements in water security in order to provide for reliable, adequate, and sustainable water systems to meet current and future agricultural and population needs.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation, Hawaii Cattlemen's Association, Alexander & Baldwin, Big Island Farm Bureau, and Land Use Research Foundation of Hawaii. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that changing climate conditions make water security one of the most important issues facing farmers and ranchers. Agriculture's long-term success is almost completely dependent upon water and farmers and ranchers need assurances of their access to water. Thus, establishing a water policy that provides crops and livestock with a dependable source of affordable water will support and sustain agricultural operations 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 is in accord with the intent and purpose of S.B. No. 2667 and recommends that 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. 2150 Water, Land, and Housing on S.B. No. 2740

The purpose and intent of this measure is to increase the revenue bond authorization of the housing loan and mortgage program, known as the Hula Mae multifamily program, from \$500,000,000 to \$750,000,000.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and the Office of Hawaiian Affairs.

Your Committee finds that the Hula Mae multifamily program is a pivotal financing tool that provides for the development or preservation of affordable rental projects through the issuance of mortgage revenue bonds for interim or permanent financing at below-market interest rates. Hawaii is in need of affordable housing, and the lack of sufficient affordable housing creates instability for many families.

Your Committee also finds that the Hawaii Housing Finance and Development Corporation's ability to issue these bonds is subject to the State's annual bond cap and approval of the Department of Budget and Finance. Since its first bond issuance, the Hula Mae multifamily program has provided \$292,432,699 in revenue bond proceeds for 2,445 affordable rental units, and an additional 722 units have been approved and are pending bond issuance. These additional units are requesting \$123,850,000 in financing from Hula Mae, leaving \$83,717,301 in uncommitted bond authority. The need for additional bond authority is critical. The passage of this measure would allow for continued assistance in the development and preservation of affordable rental housing.

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. 2740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2740, 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. 2151 Water, Land, and Housing on S.B. No. 2857

The purpose and intent of this measure is to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Department of Budget and Finance, Land Use Research Foundation of Hawaii, Grove Farm, Hawaii Cattlemen's Council, Alexander and Baldwin, and one private individual.

Your Committee finds that over eighty percent of the dams in Hawaii were constructed before 1940 to support sugar cane plantations. Due to the age of these facilities, deferred maintenance, and lack of safety improvements, many dams and reservoirs pose risks to life and property. Through the implementation of the Dam and Reservoir Safety Act of 2007 and other rules and regulations, dam and reservoir owners are now required to bring their facilities up to current engineering standards. However, the additional costs required to meet the new safety and regulatory requirements may create an undue financial burden on the owners, the majority of whom are farmers or agricultural operations that rely on these facilities for their livelihood.

Your Committee further finds that these dams and reservoirs serve as a valuable water source for Hawaii's agricultural industry and provide other significant benefits to the general public. Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2857, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2857, 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 (Fukunaga).

SCRep. 2152 Human Services on S.B. No. 2140

The purpose and intent of this measure is to require Medicaid recipients to complete an advance health care directive form.

Your Committee received testimony in support of this measure from the Department of Human Services, the Consumer Family and Youth Alliance, and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Disability Rights Center and one individual.

Your Committee finds that discussing advance health care directives with family members and primary care providers is important for end-of-life care and implementing end-of-life wishes. However, your Committee also finds that mandating only Medicaid recipients to prepare advance health care directive forms, as proposed in this measure, appears discriminatory. According to testimony, requiring completion of an advance health care directive for Medicaid eligibility would be a federal maintenance of effort violation that could jeopardize approximately \$500,000,000 in federal funding for Medicaid.

Your Committee has therefore amended this measure by:

- (1) Deleting the language requiring Medicaid recipients to complete an advance health care directive form;
- (2) Requiring the Department of Human Services to offer the option of completing the advance health care directive form and providing an advance health care directive form to Medicaid recipients;
- (3) Permitting Medicaid recipients to submit completed advance health care directives to the recipient's primary health care provider; and
- (4) Deleting language requiring that a directive that conflicts with an earlier directive revokes the earlier directive, as that provision already exists in section 327G-4, 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. 2140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2140, 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. 2153 Human Services on S.B. No. 2661

The purpose and intent of this measure is to include among the Department of Human Services' general duties, the provision of health care preventative services to improve wellness, subject to the appropriation of state funds and available federal matching assistance.

Your Committee received testimony in support of this measure from the Department of Human Services, the Consumer Family & Youth Alliance, and one individual.

Your Committee finds that preventative services and screenings can help individuals live longer, healthier lives, and are an important part of the health and well-being of Hawaii's 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. 2661 and recommends that 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. 2154 (Joint) Energy and Environment and Public Safety, Government Operations, and Military Affairs on S.B. No. 2281

The purpose and intent of this measure is to allow agencies or applicants to bypass the preparation of an environmental assessment and proceed directly to the preparation of an environmental impact statement in situations where the responsible agency determines that an environmental impact statement is likely to be required for a proposed action.

Your Committees received testimony in support of this measure from the Office of Environmental Quality Control, Office of Planning, University of Hawaii Environmental Center, The Chamber of Commerce of Hawaii, The Outdoor Circle, and one individual. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Pursuant to Act 1, Session Laws of Hawaii 2008, the University of Hawaii conducted a review of the State's environmental review system. In its report released in October 2010, the University of Hawaii recommended allowing project proponents to bypass the environmental assessment process and proceed to environmental impact statement preparation when warranted. In conjunction with that review, a working group composed of state agencies, a private trade organization, and several nonprofit groups also conducted a review of Hawaii's environmental review system. The working group unanimously recommended allowing project proponents to bypass the environmental assessment process and proceed to environmental impact statement preparation.

Your Committees find that bypassing the environmental assessment in certain situations will improve the efficiency of the environmental review process and speed the progress of proposed actions.

Your Committees have amended this measure by adopting the amendments proposed by the Office of Environmental Quality Control, which:

- (1) Add definitions for the terms “direct to environmental impact statement decision” and “direct to environmental impact statement notice”;
- (2) Replace the term “environmental impact statement publication notice” with “direct to environmental impact statement notice”;
- (3) Clarify that the Office of Environmental Quality Control is required to inform the public of the filing of any direct to environmental impact statement decision;
- (4) Create a sixty-day deadline for initiating a judicial proceeding to review:
 - (A) An agency’s direct to environmental impact statement decision; and
 - (B) The acceptance of an environmental impact statement prepared pursuant to a direct to environmental impact statement decision; and
- (5) Increase from thirty days to sixty days the deadline for initiating a judicial proceeding to review an agency’s determination that an environmental impact statement is not required for a proposed action.

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. 2281, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2281, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Green, Slom).

SCRep. 2155 (Joint) Energy and Environment and Public Safety, Government Operations, and Military Affairs on S.B. No. 2288

The purpose and intent of this measure is to establish a two-year pilot program exempting state agencies from the state procurement code solely for the execution of energy savings performance contracts using the negotiated partner approach.

Your Committees received testimony in support of this measure from Honeywell and one individual.

Your Committees find that implementing the negotiated partner approach proposed in this measure is in the best interests of the people of Hawaii. The negotiated partner approach will enable state agencies to contract with vendors more quickly than they are able using the existing state procurement process. As a result, state agencies will begin to reduce their energy costs sooner than they otherwise would. Energy savings performance contracts improve energy efficiency, reduce state operating costs, create local “green collar” jobs, and provide opportunities for partnerships between unions, state agencies, and local businesses.

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. 2288 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 1 (Green).

SCRep. 2156 Commerce and Consumer Protection on S.B. No. 2768

The purpose and intent of this measure is to eliminate the underlying producer license requirement for applying for and obtaining a surplus lines broker license; provide greater clarity and consistency in licensing insurance producers selling annuity products; and clarify reinsurance intermediary licensing requirements and remove unnecessary licensing conditions.

Your Committee received testimony in support of this measure from the Insurance Division of the Department of Commerce and Consumer Affairs, National Association of Insurance and Financial Advisors Hawaii, and Asurion. Your Committee received comments on this measure from the American Council of Life Insurers.

Your Committee finds that the National Association of Insurance Commissioners has requested that all states issue stand-alone surplus lines broker licenses. The amendments proposed by this measure comply with this request and eliminate the producer license prerequisite for an applicant who wishes to obtain a surplus lines broker license.

Your Committee further finds that this measure streamlines the licensing requirements for reinsurance intermediaries. Under this measure, licensed reinsurance intermediaries will no longer have to file proof of bond, the errors and omissions policy, and the contract with the insurer and will instead be required to produce these documents upon the Insurance Commissioner’s request.

Your Committee also finds that this measure provides clarity and consistency in the licensing of insurance producers selling annuity products in the State, and permits the Insurance Commissioner to order restitution for violations of 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. 2768 and recommends that 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. 2157 Transportation and International Affairs on S.B. No. 2871

The purpose and intent of this measure is to prohibit texting while operating a commercial motor vehicle and to prohibit operating a commercial motor vehicle without a commercial driver's license in that person's possession.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, and the Hawaii Transportation Association. Comments were received from General Motors and Alliance of Automobile Manufacturers.

Your Committee finds that beginning on August 1, 2011, federal regulations regarding commercial driver's licenses:

- (1) Require that a driver have in the driver's possession a commercial driver's license while operating a commercial vehicle; and
- (2) Prohibit texting while driving.

Federal regulations also require that a state must substantially comply with the requirements in this measure as soon as practical but not later than October 28, 2013. Failure to enact the changes could result in a substantial loss of federal-aid highway funds for the first year of noncompliance and for each year thereafter that a state remains in noncompliance.

Your Committee has amended this measure by:

- (1) Excluding from the definition of texting the use of hands-free or voice operated technology, including the pressing of a button to initiate or terminate the operation of the technology;
- (2) Excluding from the definition of electronic device a device that is physically or electronically integrated into the motor vehicle; 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2871, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2871, 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 (Dela Cruz).

SCRep. 2158 (Majority) Commerce and Consumer Protection on S.B. No. 2760

The purpose and intent of this measure is to adjust bond requirements for escrow depositories, amend fines for violations of escrow depository regulations, and amend the fee structure for services provided by the Division of Financial Institutions.

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 Title Guaranty Escrow Services, Inc.

Your Committee finds that the Division of Financial Institutions in the Department of Commerce and Consumer Affairs is responsible for ensuring that customers of escrow depositories receive the services for which they contracted. Your Committee further finds that escrows by customers are growing in size, and that bonding requirements should more closely coincide with the escrow account amounts. This measure proposes to raise the amount of the bonds required to more accurately reflect today's escrow transaction amounts. This measure also authorizes the Division of Financial Institutions to penalize a company for any violation of escrow depository regulations, rather than having to prove a violation was committed willfully.

Your Committee further finds that the Division of Financial Institutions must annually review escrow depositories' applications for license renewal. The fees for renewal must cover the time spent in renewing the licenses, as well as time spent on matters for which no fees are paid, including reviewing audited financial statements; reviewing renewals and replacements of escrow depository bonds, errors and omissions insurance, fidelity bonds, and capital bonds; responding to inquiries; and processing complaints.

Your Committee additionally finds that the fees assessed by the Division of Financial Institutions are low, have not been significantly reviewed or adjusted since 1987, and are not in line with what other states charge. The fees proposed by this measure have been adjusted to reflect the time spent by staff to review requests and provide services for escrow depositories.

The Division of Financial Institutions has indicated that the increase in fees is based on the Division's need to show a stable source of income for the upcoming accreditation review by the Conference of State Bank Supervisors. The Division is seeking additional fees in an attempt to replace and expand its funding source should the Division not receive its share of the franchise tax. Although the franchise tax revenue for a fiscal year is credited to the Division's fund as of June 30, the revenue is not deposited into the fund until July of the following fiscal year. This requires the Division to have thirteen months of cash reserves in its fund to meet its total operations need for the fiscal year.

The Division of Financial Institutions reviewed various states to determine which fees should be assessed for services provided, and reviewed the type of services provided to escrow companies in light of new federal laws and rules. The Division then focused on four areas of fee adjustments: new companies establishing a new escrow depository; new mergers, acquisitions, or changes in control of an existing escrow company; new branches or relocation of branches; and bond requirements.

The Division of Financial Institutions based its fees on the time spent reviewing applications from escrow depositories at the rate of \$60 an hour. The Division notes that this rate is a fraction of the actual costs for staff time spent on reviewing applications from escrow depositories and does not include overhead costs.

The Division of Financial Institutions estimates additional revenues of \$80,000 based on the proposed annual renewal fees in this measure. The Division currently receives \$3,050 in annual fees.

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. 2760 and recommends that 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, 1 (Slom). Excused, none.

SCRep. 2159 (Majority) Commerce and Consumer Protection on S.B. No. 2761

The purpose and intent of this measure is to establish or amend the regulatory fees charged by the Division of Financial Institutions for the review and analysis of financial institution requests.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Your Committee received testimony in opposition to this measure from the Hawaii Bankers Association and the Hawaii Financial Services Association.

Your Committee finds that the Division of Financial Institutions provides numerous services for the State's financial institutions and the public, including regulatory oversight review. Your Committee further finds that the fees for the regulation of financial institutions have not been reviewed since the 1993 recodification of the financial institution laws. The new fee structure proposed by this measure comports with the regulatory oversight by the Division of Financial Institutions as federal and state laws and financial institution company organizations become more complex to review and analyze.

The Division of Financial Institutions has indicated that the increase in fees is based on the Division's need to show a stable source of income for the upcoming accreditation review by the Conference of State Bank Supervisors. The Division is seeking additional fees in an attempt to replace and expand its funding source should the Division not receive its share of the franchise tax. Although the franchise tax revenue for a fiscal year is credited to the Division's fund as of June 30, the revenue is not deposited into the fund until July of the following fiscal year. This requires the Division to have thirteen months of cash reserves in its fund to meet its total operations need for the fiscal year.

The Division of Financial Institutions reviewed various states to determine which fees should be assessed for services provided, and reviewed the type of services provided to financial institutions in light of new federal laws and rules. The Division then determined that fees should be assessed for five general categories: new companies establishing a new financial institution; new mergers, acquisitions, or changes in control of an existing financial institution; new branches or relocation of branches; requests to offer services national banks offer; and requests to extend or offer services not currently allowed under state charter.

The Division of Financial Institutions based its fees on the time spent reviewing and analyzing financial institution requests at the rate of \$60 an hour. The Division noted that the trend in states is to assess an hourly charge for any service requested; approximately nineteen states assess an hourly charge of \$90 to \$120 an hour to process every request.

Your Committee has heard the concerns that the fees increases proposed by this measure may seem inordinately high. Concerns were raised about the annual fee percentage increase and its effect on the newest and smallest Hawaii-headquartered banks, and about the increase in hourly rates for reviewing and analyzing requests. Your Committee understands these concerns and finds that certain adjustments to fees should be made. Your Committee also understands that the Division of Financial Institutions must be self-sustaining and a change in fee structure is therefore required.

Your Committee has amended this measure by:

- (1) Changing from \$1,000 to \$700 the fee to establish a new branch of a financial institution;
- (2) Changing from \$1,000 to \$700 the fee for the relocation of a principal office, branch, or agency;
- (3) Changing from \$2,000 to \$1,000 the fee to review a wild card application, wherein the Division of Financial Institutions reviews national and state laws to determine if a state chartered bank may engage in a certain banking activity;
- (4) Amending the annual tiered fee structure the Insurance Commissioner may charge, to allow new banks to be assessed a lower annual renewal fee; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the Division of Financial Institutions estimates additional revenues of \$155,000 based on the provisions in this measure that increase the annual renewal fee for financial institutions. The Division currently receives \$35,100 in annual fees.

Your Committee also notes that the amendments to this measure are the result of a compromise between the Division of Financial Institutions and Hawaii Bankers Association.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2761, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2761, 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. 2160 Commerce and Consumer Protection on S.B. No. 2168

The purpose and intent of this measure is to direct the Insurance Commissioner to join the Surplus Lines Insurance Multi-State Compliance Compact and enact the Surplus Lines Insurance Multi-State Compliance Compact.

Your Committee received testimony in support of this measure from the National Conference of Insurance Legislators, Property Casualty Insurers Association of America, and Excess Line Association of New York. Your Committee received comments on this

measure from the Insurance Division of the Department of Commerce and Consumer Affairs and the National Association of Professional Surplus Lines Offices, Ltd.

Your Committee finds that Congress, in the federal Nonadmitted and Reinsurance Reform Act of 2010, intended for the states to adopt uniform requirements, forms, and procedures to facilitate the reporting, payment, collection, and allocation of premium taxes for surplus lines insurance. Your Committee further finds that participation in a multi-state compact is essential for the Insurance Division to continue to collect premium taxes on multistate surplus lines policies. Your Committee notes that \$8,000,000 to \$10,000,000 is collected annually on surplus lines policies.

Your Committee additionally finds that the preferred multi-state arrangement is the Surplus Lines Insurance Multi-State Compliance Compact, or SLIMPACT. Your Committee also finds that SLIMPACT has the support of all three national state government associations: the National Conference of Insurance Legislators, the Council of State Governments, and the National Conference of State Legislatures. SLIMPACT has also been endorsed by the surplus and excess lines industry and major national property-casualty and producer organizations.

Your Committee notes that when this measure is enacted, Hawaii will be the tenth state to join SLIMPACT. Hawaii's membership will put SLIMPACT over its ten state threshold and will allow the compact to become fully operational.

Your Committee also notes that the Nonadmitted and Reinsurance Reform Act requirements took effect on July 21, 2011. It is imperative that states act quickly to address the requirements of the Act. Your Committee finds that if states are unable to adopt a comprehensive solution as intended by the Act, Congress could take further action. This could result in a loss of vital premium tax revenue, further federal preemption, and possible federal oversight in the business of insurance.

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. 2168, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2168, 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. 2161 Hawaiian Affairs on S.B. No. 2793

The purpose and intent of this measure is to allow the Department of Hawaiian Home Lands to suspend administrative rules for the purpose of awarding a lease to a native Hawaiian who has waited for a lease award for twenty years or more.

Your Committee received testimony in support of this measure from the Department of Hawaiian Homelands, Sovereign Councils of the Hawaiian Homelands Assembly, Kewalo Hawaiian Homestead Association, Nanakuli Hawaiian Homestead Community Association, Waianae Kai Hawaiian Homestead Association, the Association of Hawaiian Civic Clubs, and one individual. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Office of Hawaiian Affairs and Aupuni o Hawaii.

Your Committee finds that there are over twenty thousand applicants for Hawaiian home lands lease awards, nearly one-third of whom have waited twenty years or more for a lease award. As individuals who applied for lease awards age, lease awards on some of Hawaii's most desolate, remote lands, on large houselots, may no longer be suitable for those senior citizens. Your Committee also finds that the Department of Hawaiian Home Lands is exploring various types of housing, including multi-generational and senior housing, and to allow for the suspension of the administrative rules to make viable housing options accessible to applicants who applied for lease awards no less than twenty years ago.

Your Committee has amended this measure by:

- (1) Amending the effective date to allow the Department of Hawaiian Home Lands to suspend administrative rules until June 30, 2017; 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. 2793, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2793, 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 (Hee, Slom).

SCRep. 2162 Hawaiian Affairs on S.B. No. 2669

The purpose and intent of this measure is to amend the deadline for filing nomination papers for a vacancy in the membership of the Board of Trustees of the Office of Hawaiian Affairs.

Your Committee received testimony in support of this measure from the Office of Elections; Office of the County Clerk, County of Kauai; and Office of the County Clerk, County of Maui. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds the State risks violating federal election laws during this year's Office of Hawaiian Affairs Board of Trustees vacancy election. The National Defense Authorization Act for Fiscal Year 2010, Public Law No. 111-84, requires mailing absentee

ballots to uniformed and overseas voters no later than forty-five days prior to an election. Under existing state law, candidates for the vacancy election may file their candidacy papers up to fifty days prior to a general election. By placing the deadline for candidates to file at sixty days prior to the general election, which this measure proposes, the Office of Elections will have a sufficient amount of time within which to print and mail ballots to overseas and uniformed voters, and will not risk violating the federal election law.

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. 2669 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, 2 (Hee, Slom).

SCRep. 2163 Economic Development and Technology on S.B. No. 2108

The purpose and intent of this measure is to limit to retail basic exchange services the services for which a telecommunications carrier must obtain approval from the Public Utilities Commission, in order to charge a rate higher than the filed tariff rate.

Your Committee received testimony in support of this measure from Hawaiian Telcom. Your Committee received testimony in opposition to this measure from the Consumer Advocate. Your Committee received comments on this measure from the Public Utilities Commission and TW Telecom, Inc.

Your Committee finds that while the intent of the measure may be to seek consistency with the treatment of intrastate telecommunications services relating to costs, rates, and pricing, it is not clear what is covered by “basic exchange services”. Adding a definition of the term will help clarify the intention of this measure, and will assist the Public Utilities Commission and Hawaii’s telecommunications carriers obtain a better understanding of the statutory requirements.

Your Committee has amended this measure accordingly, by adding a definition of “basic exchange service”.

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. 2108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2108, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 2164 Economic Development and Technology on S.B. No. 2222

The purpose and intent of this measure is to address the problem of “sexting”, which involves minors taking nude pictures and videos of themselves or other minors, and transmitting the nude images to others by use of a cell phone or other form of electronic communication, by prohibiting:

- (1) Adults from soliciting minors to electronically transmit nude images of minors;
- (2) Minors from electronically transmitting nude images of themselves or other minors, or soliciting other minors to do so; and
- (3) Persons from possessing a nude image transmitted by a minor, but making it an affirmative defense that the recipient made reasonable efforts to destroy the transmitted nude image.

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 American Civil Liberties Union of Hawaii.

Your Committee finds that the electronic transmission of youth-produced sexual pictures and videos, frequently referred to as “sexting”, is a growing problem, particularly because the images can be shared with many people almost instantaneously. Once transmitted, the original transmitter has very limited ability to control or prevent further dissemination. Your Committee further finds that the images may be used as a commodity for exchange, and the threatened dissemination of these images may be used as leverage against the subject to force the subject to engage in behaviors that may cause embarrassment, at minimum, and possible mental or emotional harm.

Your Committee has amended this measure by:

- (1) Changing the effective date from upon approval to July 1, 2012; 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 Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2222, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 2165 Economic Development and Technology on S.B. No. 2235

The purpose and intent of this measure is to incorporate recommendations of the Hawaii Broadband Task Force in the Hawaii State Plan, by requiring the State to promote broadband services as critical infrastructure for twenty-first century communications and encourage the public and private sectors to ensure that every home and business in the State has access to broadband service at prices comparable to those in leading economies of the world, for educational, economic, social, cultural, and medical advancement by 2018.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, High Technology Development Corporation, University of Hawaii System, and Media Council Hawaii.

Your Committee finds that the importance of broadband to the educational, economic, social, cultural, and medical well-being of Hawaii's citizens in the twenty-first century is now well-understood and incontrovertible. While there may be differences of opinion about the level of services necessary and the means to achieve them, your Committee believes that this measure would establish a shared visionary objective.

Your Committee further finds that establishing this shared vision through codification in the Hawaii Revised Statutes will provide a focus for collaborative efforts to identify and execute specific next steps to bring the vision to fruition.

Your Committee has amended this measure by requiring the Department of Business, Economic Development, and Tourism to report annually to the Governor and the Legislature on the status of efforts to promote broadband services as critical infrastructure for twenty-first century communications and encourage the public and private sectors to ensure that every home and business in the State has access to broadband service.

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. 2235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2235, S.D. 1, 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 (Baker).

SCRep. 2166 Economic Development and Technology on S.B. No. 2563

The purpose and intent of this measure is to extend the deadlines for the Director of Finance to:

- (1) Establish an accessible searchable website that provides certain state award information, from January 1, 2009, to January 1, 2013;
- (2) Establish and implement a pilot program to test the collection and accession of data about subgrants and subcontracts and determine how to implement a subaward reporting program across the State, from July 1, 2008, to January 1, 2013; and
- (3) Terminate the pilot project, from January 1, 2010, to July 1, 2014.

Your Committee received testimony in support of this measure from the Department of Budget and Finance.

Your Committee finds that the previous administration made a policy decision not to implement the website and pilot project required under section 36-2.5, Hawaii Revised Statutes, due to fiscal and staffing constraints, as well as technical concerns. Given that decision, your Committee is in agreement with the Director of Finance that extending the start and end dates for the pilot project by an additional year would be more realistic. Your Committee has also considered the Director's request to transfer responsibility of this project to the State's Chief Information Officer, as the Chief Information Officer is a more appropriate authority for this project.

Your Committee has amended this measure accordingly, by:

- (1) Changing the implementation date of the pilot program to test the collection and accession of data about subgrants and subcontracts and determine how to implement a subaward reporting program across the State, to January 1, 2014; and the termination date for the pilot project to July 1, 2015; and
- (2) Replacing the Director of Finance and the Department of Budget and Finance with the Chief Information Officer, as the entity responsible for establishment of the searchable website and pilot project.

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. 2563, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2563, 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. 2167 (Joint) Economic Development and Technology and Public Safety, Government Operations, and Military Affairs on S.B. No. 2774

The purpose and intent of this measure is to simplify distribution in response to changes in technology and to reduce printing, workload, and delivery costs for all agencies by:

- (1) Requiring an agency to notify the State Publications Distribution Center, established within the public library system, with identification and location information for electronic publications;
- (2) Reducing the number of print copies required to be deposited with the State Publications Distribution Center; and
- (3) Deleting the Board of Education's rulemaking authority regarding the State Publications Distribution Center.

Your Committees received testimony in support of this measure from the Office of Information Management & Technology and the Hawaii State Public Library System.

Your Committees find that this measure is in alignment with the information technology strategic plan currently under development by the administration. Providing government publications in electronic versions will not only reduce printing, workload, and delivery costs, but will also promote government transparency, increase public access to information, and preserve documents in the digital domain in a searchable manner for future reference and analysis. Your Committees further find that user comments have indicated that seven copies are sufficient for most publications, and this measure would allow the State Publications Distribution Center to request

more copies when appropriate while also relieving the center of the burden of handling unneeded materials and agencies from printing and delivering more copies than are useful.

Your Committees have also requested information from the Chief Information Officer, regarding a time frame for implementation if the requirement to deposit hard copies of documents with the State Publications Distribution Center was amended to require only that the center be notified when an electronic publication was posted online.

Your Committees have amended this measure accordingly, by:

- (1) Requiring the Chief Information Officer, with the assistance of the Office of Information Management and Technology and the Hawaii State Public Library System, to review the technology, personnel, training, fiscal, and other requirements necessary to implement a program through which state and county agencies would make all of their publications available in electronic format for online distribution, and to submit the findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013; 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 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. 2774, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2774, 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 (Ryan, Solomon, Slom).

SCRep. 2168 Economic Development and Technology on S.B. No. 2780

The purpose and intent of this measure is to appropriate monies for the business and technology transformation initiative to prepare the State for the larger transformation activities that will be defined in the forthcoming information technology strategic plan.

Your Committee received testimony in support of this measure from the Office of the Governor and the Office of Information Management and Technology.

Your Committee finds that the Office of Information Management and Technology has been developing the statewide business transformation and information technology strategic plan, which is anticipated to be delivered in July 2012. The plan will provide a roadmap and prioritize projects over a ten-year span for implementation in two-year increments to coincide with the biennium budget timeline. Your Committee understands that while many of the projects will not be funded until the 2013-2014 fiscal year, the Office of Information Management and Technology has outlined a number of initiatives for fiscal year 2012-2013, including:

- (1) Triage Projects. \$3,400,000 to ensure continuity of day-to-day critical business operations for government services;
- (2) Business and Information Technology Reengineering. \$5,000,000 for projects that relate to business process and information technology reengineering, as well as management and oversight of information technology acquisitions;
- (3) Pilot Integration Projects. \$1,800,000 for implementation of pilot integration projects that take advantage of new technologies to increase operational capabilities or enhance current processes, resulting in reduced costs, increased employee productivity and process efficiencies, improved information assurance and cyber security standards, and enhanced capabilities and capacity; and
- (4) Statewide Financial, Acquisition, and Human Resource Management System. \$15,000,000 for capital improvement projects through the issuance of general obligation bonds in fiscal year 2013 to develop an integrated statewide financial, acquisition, and human resources management system that will be used by all departments and agencies.

Your Committee is supportive of these efforts in support of the statewide business transformation and information technology strategic plan, as a means of providing better services to the public and achieving greater efficiencies by government agencies.

Your Committee has amended this measure by extending the lapse date of the capital improvement project appropriation to June 30, 2014, and making other technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2780, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2780, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Baker).

SCRep. 2169 Health on S.B. No. 416

The purpose of this short form bill is to amend the law relating to health.

Your Committee has amended this measure by inserting language that authorizes the Hawaii Health Systems Corporation to bring the Hawaii Medical Center East facility under its governance through formal affiliation, acquisition, or both, and to appropriate the necessary funding.

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. 416, as amended herein, and recommends that it be recommitted to the Committee on Health, in the form attached hereto as S.B. No. 416, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Wakai, Slom).

SCRep. 2170 (Joint) Transportation and International Affairs and Commerce and Consumer Protection on S.B. No. 2011

The purpose and intent of this measure is to create a driver exclusion endorsement to enable a named insured to exclude specified persons from being covered under a motor vehicle insurance policy.

Your Committees received testimony in support of this measure from State Farm Insurance Companies. Testimony in opposition was submitted by the Department of Commerce and Consumer Affairs, Hawaii Association for Justice, and Hawaii Independent Insurance Agents. Comments were received from the Hawaii Insurers Council.

Your Committees find that Hawaii insurance laws do not provide the option of excluding drivers in the household from coverage. For example, if one driver in a household of six insured drivers is convicted of operating a vehicle under the influence of an intoxicant, the insurance for that household would be increased because of that one driver. In states that allow driver exclusion agreements, insurers have been able to minimize the impact on the remaining household drivers by allowing certain drivers in the household to be excluded from coverage under the policy. As a result of Hawaii's insurance laws, insureds are faced with two choices--retain the policy for the entire household with an adverse driver or cancel the policy for the entire household and seek other independent insurance. Canceling the policy is not a viable option since it would mean going uninsured and contributing to the uninsured motorist problem. This situation is particularly common in Hawaii households with its multiple-generational families.

Your Committees believe that this measure will provide rate reductions to multiple occupant households whose premiums are based on number of persons in the household without regard to the driving record of any single individual. The broad coverage is due to the language of the policy to cover all members living in the same household who must be related. The typical hypothetical situation that this measure would address is the presence of a reckless son or daughter in the household of the named insured parent. An accident involving that son or daughter would raise the premium multi-fold. By excluding that son or daughter, the premium should manifestly decrease.

Your Committees remain concerned that this measure may curtail the benefits of the broad coverage currently offered for Hawaii motor vehicle insurance policies. The underlying purpose of Hawaii's motor vehicle insurance law is to encourage participation of all of Hawaii's drivers, rather than being selective about which drivers to include or exclude. This measure may increase the number of uninsured drivers on the road or force excluded drivers into the joint underwriting plan.

Your Committees have amended this measure by:

- (1) Clarifying language to conform with the technical terminology of insurance underwriting;
- (2) Providing that a named insured that has rejected in writing the offer of uninsured motorist coverage under a motor vehicle insurance policy shall not be entitled to the rights of claim and action against the assigned insurer, with reference to the mandatory bodily injury liability policy for accidental harm;
- (3) Disqualifying coverage to an excluded operator of a motor vehicle for an accident out of which the excluded operator's accidental harm arose;
- (4) Changing the effective date to July 1, 2050, to ensure further discussion; and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on 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. 2011, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2011, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.
Ayes, 12; Ayes with Reservations (Espero, Gabbard, Kahele). Noes, none. Excused, 1 (Galuteria).

SCRep. 2171 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on S.B. No. 2224

The purpose and intent of this measure is to clarify that:

- (1) Judgments are also valid claims for purposes of encumbrances recorded in the tax lien and encumbrance record; and
- (2) State and county agencies are not required to pay a fee for the recording of an entry in the tax lien and encumbrance record.

Your Committees received testimony in support of this measure from the Department of Taxation. Comments were received from the Honolulu Licensing Administrator.

Your Committees find that there is a need to expand the ability of state and county agencies to pursue reimbursement of outstanding debts since many debtors ignore payment obligations and recovery efforts by state and county agencies. Encumbrances on real property and motor vehicles are an effective mechanism to increase the likelihood of recovering outstanding debts.

State and county agencies may record liens or claims with the Director of Finance of each county, but are required to pay a statutory fee that is deposited into the general fund. Your Committees further find that the fee is hindering some agencies from utilizing the tax lien and encumbrance record to assist in recovery of outstanding debts owed to the agency.

Your Committees have amended this measure by:

- (1) Allowing the taxpayer to enter into a payment agreement with the Department of Taxation to avoid a lien and encumbrance recordation;
- (2) Requiring state and county agencies to provide the Director of Finance the license plate number or vehicle identification number in order to be exempt from the payment of the filing fee for the lien and encumbrance; and
- (3) Making conforming amendments to the purpose section.

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 and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2224, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2224, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, Hee, Kidani, Slom).

SCRep. 2172 Hawaiian Affairs on S.B. No. 2790

The purpose and intent of this measure is to allow the Department of Hawaiian Home Lands to begin development of or construction for housing and other projects without having the full amount of the cost of the projects on hand at the start of the projects.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands, Sovereign Councils of the Hawaiian Homelands Assembly, Kewalo Hawaiian Homestead Association, Nanakuli Hawaiian Homestead Community Association, Waianae Kai Hawaiian Homestead Association, Association of Hawaiian Civic Clubs, and two individuals.

Your Committee finds that eliminating the Department of Hawaiian Home Lands' tools for creating new, affordable housing is contrary to the interests of Hawaiian home lands applicants. Act 187, Session Laws of Hawaii 2010, created financing tools for the Department of Hawaiian Home Lands to create new, affordable housing for its beneficiaries. The Department of Hawaiian Home Lands anticipates using the financing tools created by Act 187 to manage a number of upcoming projects within the next three years.

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. 2790 and recommends that 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 (Hee, Slom).

SCRep. 2173 (Majority) Commerce and Consumer Protection on S.B. No. 2202

The purpose and intent of this measure is to prohibit any employer or employment agency from publishing a job advertisement that states or suggests that an applicant for the job must be currently employed.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; International Longshore and Warehouse Union, Local 142; Pride at Work Hawaii; and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Civil Rights Commission. Your Committee received comments on this measure from the City and County of Honolulu Department of Human Resources and the Chamber of Commerce of Hawaii.

Your Committee finds that there is growing concern over an emerging national trend, where increasing numbers of employers and employment services run job advertisements that state applicants must be currently employed to apply. The unemployment rate in Hawaii has remained at over six percent for almost three years, and job postings that explicitly reference the employment status of applicants only hinder the efforts of unemployed persons to reenter the job market.

Your Committee further finds that the employment practice of employers or employment agencies publishing or causing to be published advertisements that exclude the unemployed from consideration for a job vacancy is against public policy. Although this exclusionary employment practice may not be prevalent in Hawaii, your Committee finds that an affirmative approach is warranted because that type of employment practice violates public policy.

Your Committee therefore concludes that a study and report on whether employers and employment agencies are engaging in this exclusionary employment practice in the State is the most appropriate method to confront this emerging employment issue.

Accordingly, your Committee has amended this measure by replacing its contents with language that:

- (1) Directs the Legislative Reference Bureau to conduct a study and gather information and data on whether employers and employment agencies are engaging in employment practices that exclude the unemployed from qualified applicant pools considered for employment in the State;
- (2) Requires the Legislative Reference Bureau to include in the study a review and survey of job notices and job advertisements that exclude the unemployed from consideration for a job vacancy, and a count of any complaints involving these practices that are filed with the Hawaii Civil Rights Commission;
- (3) Requires the Hawaii Civil Rights Commission to provide assistance and information as necessary to the Legislative Reference Bureau; and
- (4) Requires the Legislative Reference Bureau to submit a report of its findings, including examples of any posted notices or published advertisements that exclude the unemployed from consideration for a job vacancy, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

This measure intends to send the message that it is an unacceptable employment practice to discriminate in job postings and advertisements against someone who does not have a job.

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. 2202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2202, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, 1 (Slom). Excused, none.

SCRep. 2174 (Majority) Commerce and Consumer Protection on S.B. No. 2763

The purpose and intent of this measure is to amend the Secure and Fair Enforcement for Mortgage Licensing Act, chapter 454F, Hawaii Revised Statutes, to reflect recent changes in federal law and adjust fees in consideration of new regulatory requirements.

Your Committee received testimony in support of this measure from the Division 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.

Your Committee finds that the United States Department of Housing and Urban Development announced the final rule setting standards for state compliance with the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008. Your Committee further finds that the final rule clarifies licensing requirements related to nonprofit organizations and certain mortgage servicer employees. The amendments proposed by this measure are designed to keep state law current with federal law and guidelines.

Your Committee also finds that this measure adds fees for newly established regulatory services and adjusts fees for initial application and annual license renewals for mortgage loan originators, mortgage loan originator companies, and exempt sponsoring mortgage loan originator companies. Your Committee notes that the mortgage loan originator program began in 2010. At the end of calendar year 2011, the Division of Financial Institutions regulated approximately 840 mortgage loan originators and approximately 240 mortgage loan originator companies. However, because the initial projections for the budget were based on 3,000 licensees, the current fee levels do not permit the program to be self-sustaining.

The Division of Financial Institutions has indicated that the increase in fees is based on the Division's need to show a stable source of income for the upcoming accreditation review by the Conference of State Bank Supervisors. The Division is seeking additional fees in an attempt to replace and expand its funding source should the Division not receive its share of the franchise tax. Although the franchise tax revenue for a fiscal year is credited to the Division's fund as of June 30, the revenue is not deposited into the fund until July of the following fiscal year. This requires the Division to have thirteen months of cash reserves in its fund to meet its total operations needs for the fiscal year.

The Division estimates additional revenues of \$96,000 for 2012, based on the provisions in this measure that increase the mortgage loan originator initial application and renewal fees.

Your Committee has heard the concerns that the fee increases proposed by this measure may pose hardships for sole proprietors who are licensed as a mortgage loan originator company and a mortgage loan originator. Based on testimony received by your Committee, small mortgage loan originating companies in the State may be comprised of sole owners who must pay renewal fees for themselves and their company.

According to the Division, the Nationwide Mortgage Licensing System collects fees for each state based on set parameters for mortgage loan originators, mortgage loan originator companies, branches, and exempt mortgage loan originating companies. The Division indicated that a combination rate for a sole proprietor may not be available, as the Nationwide Mortgage Licensing System is not able to program special fees for states to charge specialized licensees. However, the Division also indicated that a fee adjustment could be possible if sole proprietors paid all required fees through the Nationwide Mortgage Licensing System then requested the State to reimburse any fees the Division chose to waive.

If the mortgage loan originator fees for sole proprietors are waived, the Division estimates a projected total loss of revenue of \$31,250. This figure includes initial and renewal sole proprietor applicants. The Division estimates \$64,750 of projected net additional revenue for sole proprietors.

Your Committee requests the Division of Financial Institutions to continue to explore ways to assist sole proprietors who must file and pay fees as both a mortgage loan originator company and as a mortgage loan originator.

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. 2763, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2763, 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. 2175 Ways and Means on S.B. No. 2988

The purpose and intent of this measure is to authorize the Director of Finance to restructure the debt service for state obligations; provided that any such restructuring shall take into consideration the long-term financial obligations of the State and shall not be undertaken solely to provide short-term savings.

Your Committee received testimony in support of this measure from the Department of Budget and Finance.

Your Committee finds that this measure will provide the Director of Finance with the flexibility necessary to address the long-term and short-term obligations of the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2988 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, 14. Noes, none. Excused, none.

SCRep. 2176 Judiciary and Labor on S.B. No. 2493

The purpose and intent of this measure is to make various amendments to the campaign finance laws. More specifically, this measure:

- (1) Adds a definition for “matching payment period”;
- (2) Amends the filing deadlines for preliminary and supplemental campaign spending reports to align with existing law or present practice;
- (3) Requires noncandidate committee reports to include the aggregate totals of contributions received and contributions made by noncandidate committees, and identify candidates supported or opposed by independent expenditures;
- (4) Requires candidates to file the affidavits stating voluntary agreement to abide by spending limits at the time nomination papers are filed; and
- (5) Increases the prosecuting attorney’s campaign expenditure limit.

Your Committee received testimony in support of this measure from the Campaign Spending Commission. The League of Women Voters of Hawaii and Common Cause Hawaii submitted comments.

Your Committee finds that this measure proposes to make several amendments to the campaign finance laws. Adding a definition for “matching payment period” will allow the Campaign Spending Commission staff to better implement the partial financing program. Amending the filing deadline for preliminary campaign spending reports will avoid back-to-back filing deadlines for candidates for their first and second preliminary primary campaign spending reports, and align accordingly with the August primary election date. Adding clarifying language to require candidates to submit supplemental reports every year will align the statutory deadline with present practice. Requiring noncandidate committees to include in their committee reports the aggregate totals of contributions received and contributions made, and identification of candidates supported or opposed by independent expenditures will recognize that noncandidate committees make and receive contributions and promote greater transparency. Requiring candidates to file affidavits to abide by statutory expenditure limitations no later than the deadline to file nomination papers will allow commission staff to better implement the partial financing program, and allow candidates to receive a discount filing fee. Lastly, increasing the campaign expenditure amount of a publicly financed prosecuting attorney candidate will correct a statutory deletion that forced the commission to place the prosecuting attorney in a lower expenditure category.

Your Committee believes that the reasons for requiring candidates to file affidavits before or at the same time nomination papers are filed for a fee discount are not compelling. Existing law allows a candidate a discounted filing fee when showing a certified copy of an affidavit that indicates the candidate voluntarily agrees to abide by spending limits at the time the candidate files nomination papers. However, your Committee has concerns regarding how this discount will be recouped in the event a candidate withdraws from the election race. The Campaign Spending Commission testified that the State has this responsibility. However, your Committee believes that a recoup action may cost more than the actual discount, and questions whether this action is worth the use of the State’s resources and time.

As such, your Committee has amended this measure by:

- (1) Deleting language that requires candidates to file affidavits to abide by statutory expenditure limitations no later than the time nomination papers are filed; 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. 2493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2493, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 2177 Judiciary and Labor on S.B. No. 2304

The purpose and intent of this measure is to require state and county law enforcement agencies to adopt uniform procedures for conducting live lineups and photo lineups for eyewitness identification in an effort to improve the State’s criminal justice system.

Your Committee received testimony in support of this measure from the Office of the Public Defender; the Community Alliance on Prisons; the American Civil Liberties Union of Hawaii; the Innocence Project; and one private individual. Testimony in opposition to this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu and the Maui Police Department.

Your Committee finds that the most common causes of wrongful conviction are mistaken eyewitness identification and false confessions. This measure is an effort to improve the State’s eyewitness identification procedures by adopting uniform standards that are designed to reduce erroneous identifications. However, the Department of the Prosecuting Attorney of the City and County of

Honolulu raised a number of concerns regarding this measure. The Department indicated that existing law requires that eyewitness identifications be reviewed under “totality of the circumstances” because there are many case-specific factors that need to be taken into account; thus, adopting uniform standards for eyewitness identifications may be overly restrictive and unnecessary.

Your Committee notes these concerns and encourages the City and County of Honolulu Prosecuting Attorney to work on streamlining the language in this measure as it moves through the legislative process.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2304, S.D. 1, 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. 2178 Judiciary and Labor on S.B. No. 2003

The purpose and intent of this measure is to:

- (1) Increase the fees for service of civil process;
- (2) Authorize private process servers who are duly qualified by law to serve as duly qualified process servers; and
- (3) Repeal the provision that prohibits the sheriff or police chief from retaining a percentage of service of process fees or expenses collected by the process server.

Your Committee received testimony in support of this measure from one private individual. The Department of Public Safety submitted comments.

Your Committee finds that the discontinuation of the Civil Section of the Sheriff Division created a need for private civil process servers. This measure increases the fees for service of civil process and authorizes private process servers to collect these fees. However, your Committee notes that the Department of Public Safety does not have legal authority and control over private process servers, nor does the department train or supervise these process servers.

As such, your Committee has amended this measure by inserting an effective date of July 1, 2050, to ensure 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. 2003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2003, S.D. 1, 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. 2179 Judiciary and Labor on S.B. No. 2278

The purpose and intent of this measure is to require various establishments to post in a conspicuous place a National Human Trafficking Resource Center hotline poster to protect victims from their trafficking situation.

Your Committee received testimony in support of this measure from IMUAlliance; the Polaris Project; the Pacific Alliance to Stop Slavery; and three private individuals. Testimony in opposition to this measure was submitted by one private individual. The Department of Labor and Industrial Relations submitted comments.

Your Committee finds that human trafficking is one of the fastest growing criminal industries in the world, consisting of the subjugation, recruitment, harboring, or transportation of people for the purpose of forced labor or services, or commercial sexual exploitation. The Human Trafficking Resource Center provides a twenty-four hour daily hotline to assist and protect victims in servitude. This measure provides a tool for victims to escape their trafficking situation and for members of the public to report trafficking situations and prevent further incidences of trafficking.

Your Committee has amended this measure by:

- (1) Adding massage parlors to the definition of “establishment” thereby requiring massage parlors to post the National Human Trafficking Resource Center hotline;
- (2) Decreasing the fine for violations from \$10,000 to \$1,000;
- (3) Inserting an effective date of July 1, 2050, to ensure further discussion; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2278, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 2180 Judiciary and Labor on S.B. No. 2214

The purpose and intent of this measure is to clarify that:

- (1) The employer and exclusive representative shall negotiate the state and county contribution amounts to the Hawaii employer-union benefits trust fund for health benefit plans and group life insurance benefits for active employees and retirees;
- (2) The negotiations relating to contributions to the Hawaii employer-union benefits trust fund are subject to the impasse procedures prescribed under the collective bargaining laws; and
- (3) A decision of an arbitration panel is final and binding when parties cannot reach an agreement with respect to the amounts of contributions paid by the State to the Hawaii employer-union benefits trust fund.

Your Committee received testimony in support of this measure from the University of Hawaii Professional Assembly; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the Hawaii State Teachers Association; the Hawaii Fire Fighters Association, IAFF Local 1463, AFL-CIO; and the United Public Workers, AFSCME Local 646, AFL-CIO. Testimony in opposition to this measure was submitted by the Department of Budget & Fiscal Services of the City and County of Honolulu. The Department of the Attorney General submitted comments.

Your Committee finds that the existing collective bargaining laws lack a dispute resolution procedure to resolve disagreements over the contributions to the Hawaii employer-union benefits trust fund. Existing law requires that if the employer and exclusive representative cannot agree on the amount of contributions, then the pro rata share will be determined by the Legislature while all other negotiable items may proceed to impasse. This measure will allow disputes over contributions to be treated similarly to other negotiable items and resolved through impasse procedures, such as arbitration or striking, depending on the bargaining unit involved.

Your Committee has amended this measure by:

- (1) Deleting language that allows the employer and unions to negotiate over contributions to the Hawaii employer-union benefits trust fund for retirees since retiree benefits are not subject to bargaining under existing collective bargaining laws;
- (2) Inserting an effective date of July 1, 2050, to ensure 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. 2214, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2214, 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 (Shimabukuro, Slom).

SCRep. 2181 Health on S.B. No. 2344

The purpose and intent of this measure is to make an appropriation for the Hawaii Health Authority.

Your Committee received testimony in support of this measure from two members of the Hawaii Health Authority and one individual. Your Committee received testimony in opposition to this measure from the Office of the Governor.

Your Committee finds that funds for the Hawaii Health Authority are necessary to conduct duties required by statute and are especially needed to hire administrative staff, researchers, and consultants so that the Authority may fulfill such duties.

Your Committee has amended this measure by:

- (1) Changing the expending agency from the Department of Budget and Finance to the Office of the Governor at the recommendation of the Office of the Governor's Healthcare Transformation Leadership Team; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2344, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2344, 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. 2182 Health on S.B. No. 2105

The purpose and intent of this measure is to require the Department of Health 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 existing state parity laws.

Your Committee received testimony in support of this measure from HMSA, the Salvation Army Addiction Treatment Services, Hawaii Substance Abuse Coalition, and the Drug Policy Forum of Hawaii. Your Committee received comments on this measure from the Department of Health, Department of Commerce and Consumer Affairs, and the Legislative Reference Bureau.

Your Committee finds that treatment for behavioral health disorders continues to be costlier and more difficult to obtain than general medical care. Your Committee also finds that the United States Department of the Treasury's Interim Final Rules pertaining to the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 require that group health plans have no more restrictions on mental health and substance abuse disorders than on medical or surgical benefits and require that the State take

action to ensure compliance with federal parity laws. The working group established by this measure is necessary in order to determine how to best implement and improve state parity laws.

Your Committee has amended this measure by:

- (1) Adding one licensed medical professional, psychologist, and clinical social worker, and one mental health consumer representative to the working group; and
- (2) Removing the requirement that the working group review provisions in national health care reform laws and regulations that:
 - (A) Address behavioral health provider shortage through grant programs to train and educate providers; and
 - (B) Address research needs in specialty areas of mental health 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. 2105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2105, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Slom).

SCRep. 2183 Health on S.B. No. 2084

The purpose and intent of this measure is to prohibit an insurer from requiring a doctor's referral for annual covered mammograms for insureds over the age of forty.

Your Committee received testimony in support of this measure from HMSA BSH, Inc.; Planned Parenthood of Hawaii; the American Cancer Society Hawaii Pacific, Inc.; Kaiser Permanente; and one individual. Your Committee received comments on this measure from the State Insurance Commissioner on behalf of the Department of Commerce and Consumer Affairs.

Your Committee finds that routine mammograms are vital in the early detection and treatment of breast cancer and therefore mammograms should be made as accessible and affordable as possible.

Your Committee has amended this measure by:

- (1) Changing references to the term "mammogram" to "screening mammogram" per a recommendation from HMSA BSH, Inc. in order to differentiate screening mammograms from diagnostic mammograms, which should be performed under the direction of a physician; 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. 2084, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2084, 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, Slom).

SCRep. 2184 Health on S.B. No. 2098

The purpose and intent of this measure is to clarify that persons and entities subject to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), who use or disclose information in a manner permitted by and consistent with HIPAA and related federal regulations, shall be deemed to be acting in compliance with state privacy laws and regulations.

Your Committee received testimony in support of this measure from the Office of the Governor; Department of Health; Hawaii Health Information Corporation; Healthcare Association of Hawaii; Hawaii Chapter, American Physical Therapy Association; Hawaii Health Information Exchange; HMSA; Kaiser Permanente Hawaii; Hawaii Disability Rights Center; Hawaii Medical Association; Hawaii Pacific Health; and one individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and the Department of Commerce and Consumer Affairs' Regulated Industries Complaints Office.

Your Committee finds that harmonizing various state regulations governing disclosure of medical information with federal HIPAA requirements will simplify health information exchanges between providers and improve patient health outcomes.

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. 2098 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Slom).

SCRep. 2185 Health on S.B. No. 2106

The purpose and intent of this measure is to require health insurers to provide outpatient prescription drug coverage, prohibit health insurers from requiring coinsurance as a basis for cost sharing with the insured for outpatient prescription drug benefits, and limit the amount of copayment an insured must pay for outpatient prescription drugs.

Your Committee received testimony in support of this measure from HMSA; the American Cancer Society Hawaii Pacific, Inc.; Hawaii Academy of Physician Assistants; National Multiple Sclerosis Society – Hawaii Division; the Neuropathy Association; Arthritis Foundation – Hawaii Branch; Neuropathy Action Foundation; Advocacy for Patients with Chronic Illness; the Myositis Association; Immune Deficiency Foundation; Patient Services, Inc.; National Council of Asian Pacific Islander Physicians; Faith

Action for Community Equity (FACE); GBS/CIDP Foundation International; National Cornerstone Healthcare Services, Inc.; and one individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and one insurance plan professional.

Your Committee finds that outpatient medical therapy is critical to quality care in an efficient health care system and that outpatient medications should be made as affordable and accessible as possible.

Your Committee has amended this measure by:

- (1) Deleting the provisions relating to mutual benefit societies that would restrict coinsurance as a basis for cost sharing, place a \$150 cap on copayments for a one-month supply of a prescription drug, and include prescription drugs in any limit of a member's out-of-pocket expenses for covered outpatient prescription drugs; 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. 2106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2106, 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, Slom).

SCRep. 2186 Health on S.B. No. 2019

The purpose and intent of this measure is to appropriate funds to restore the funding level of the Vector Control Branch of the Department of Health to its fiscal year 2007-2008 level.

Your Committee received testimony in support of this measure from the United Public Workers, Hawaii Farm Bureau Federation, and two individuals. Your Committee received comments from the Department of Health.

Your Committee finds that the Vector Control Branch serves a critical public health purpose that no other entity, private or public, addresses and that at the current funding level, the Vector Control Branch is not able to fulfill its required duties.

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. 2019 and recommends that 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 (Shimabukuro, Slom).

SCRep. 2187 Health on S.B. No. 2383

The purpose and intent of this measure is to extend the lapse date of the special purpose revenue bonds authorized to assist The Queen's Health Systems in Act 176, Session Laws of Hawaii 2003, as amended by Act 86, Session Laws of Hawaii 2007.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, Healthcare Association of Hawaii, and The Queen's Health Systems. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the extension of the lapse date of the special purpose revenue bonds will allow The Queen's Health Systems to further invest in infrastructure and equipment in order to continue to provide quality health care to the community.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2383 and recommends that 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 (Shimabukuro, Slom).

SCRep. 2188 Health on S.B. No. 2409

The purpose and intent of this measure is to appropriate \$1,500,000 for fiscal year 2012-2013 for emergency medical services in the West Oahu region.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments from the Department of Health.

Your Committee finds that the closure of the Hawaii Medical Center facilities has had a negative impact on the emergency medical services in West Oahu. Your Committee further finds that an appropriation made pursuant to this measure may help to fill the need for critical medical services not only in West Oahu but wherever medical services are most needed.

Your Committee has amended this measure by:

- (1) Removing the specification that the emergency medical services provided be for the West Oahu region in order to give the Department of Health the maximum flexibility to best utilize the funds for the community; and
- (2) Changing the effective date from upon approval to July 1, 2012.

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. 2409, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2409, 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. 2189 Health on S.B. No. 2423

The purpose and intent of this measure is to establish and appropriate funds for the Hawaii colorectal cancer screening program.

Your Committee received testimony in support of this measure from HMSA and the American Cancer Society Hawaii Pacific, Inc. Your Committee received comments from the Department of Human Services.

Your Committee finds that one of the most efficient ways to detect precancerous growths is through screening and that the Hawaii colorectal cancer screening program will increase the likelihood of early detection, which is critical to a positive treatment outcome.

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. 2423 and recommends that 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 (Shimabukuro, Slom).

SCRep. 2190 Health on S.B. No. 2572

The purpose and intent of this measure is to appropriate funds for the comprehensive breast and cervical cancer control program.

Your Committee received testimony in support of this measure from HMSA, Planned Parenthood of Hawaii, and the American Cancer Society Hawaii Pacific, Inc. Your Committee received comments from the Department of Human Services.

Your Committee finds that the comprehensive breast and cervical cancer control program screens over a thousand people every year and that the early detection and treatment of breast and cervical cancer can lead to lower costs for overall treatment as well as an increased likelihood for a positive treatment outcome.

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. 2572 and recommends that 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 (Shimabukuro, Slom).

SCRep. 2191 Health on S.B. No. 2827

The purpose and intent of this measure is to add to the uses of the monies in the trauma system special fund the costs of staffing and operating the State's injury prevention program.

Your Committee received testimony in support of this measure from the Department of Health and the American Medical Response.

Your Committee finds that injury is the leading cause of death and disability in individuals between one to forty-four years of age and that prevention programs are the most cost-effective method to reduce the risk of injury and the resulting burden of care. Your Committee would also like to note that monies from the trauma system special fund shall not fund more than four positions in the State's injury prevention program and that only persons whose work is directly related to the injury prevention program shall receive funds from the trauma system special fund.

Your Committee has amended this measure by inserting an effective date of January 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. 2827, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2827, 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. 2192 Health on S.B. No. 2709

The purpose and intent of this measure is to allow the Department of Health to disclose the dates of vital events to government agencies within the State that are seeking to verify information contained in vital statistics records for the purpose of updating official lists.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that the disclosure of the dates of vital events will help state government agencies to determine eligibility for public benefits, correctly assess taxes, and discontinue services on behalf of deceased persons, all of which will in turn limit fraud and increase the available funds for those qualified individuals who need the funds the most.

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. 2709 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Shimabukuro, Slom).

SCRep. 2193 Health on S.B. No. 2816

The purpose and intent of this measure is to permit the Department of Health the option of recognizing full accreditation by The Joint Commission (formerly the Joint Commission on Accreditation of Healthcare Organizations) as evidence of a hospital's compliance with state licensing requirements for the duration of the accreditation period.

Your Committee received testimony in support of this measure from the Department of Health and Hawaii Health Systems Corporation. Your Committee received comments on this measure from The Joint Commission (formerly the Joint Commission on Accreditation of Healthcare Organizations).

Your Committee finds that The Joint Commission maintains rigorous and regularly revised standards that are recognized nationwide as a symbol of quality that reflects an organization's commitment to meeting certain performance standards. Your Committee further finds that by recognizing the accreditation by The Joint Commission, resources may be used to focus on hospitals without accreditation or other health care organizations, such as nursing homes, which have historically not requested or acquired national accreditation.

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. 2816 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Shimabukuro, Slom).

SCRep. 2194 Health on S.B. No. 2820

The purpose and intent of this measure is to amend the duties of the Hawaii Advisory Commission on Drug Abuse and Controlled Substances to focus on addressing the issue of substance abuse as a public health issue.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Advisory Commission on Drug Abuse and Controlled Substances, Department of Public Safety, Consumer Family & Youth Alliance, and two individuals. Your Committee received testimony in opposition to this measure from the Drug Policy Forum of Hawaii.

Your Committee finds that this measure will more closely align the duties of the Commission with the core functions of public health, including assessment, policy development, and the assurance of appropriate public health 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. 2820 and recommends that it pass Second Reading and be referred to the Committee on Public Safety, Government Operations, and Military Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Slom).

SCRep. 2195 Health on S.B. No. 2821

The purpose and intent of this measure is to give the Department of Health the authority to conduct a comprehensive mortality review of persons with developmental or intellectual disabilities and to allow for information relevant to the review to be obtained by the Department and participants in the mortality review.

Your Committee received testimony in support of this measure from the Department of Health, the Consumer Family and Youth Alliance, and one individual.

Your Committee finds that mortality reviews of persons with developmental or intellectual disabilities will assist the State's efforts to care for individuals with developmental or intellectual disabilities by reducing the incidence of preventable deaths and identifying and addressing quality of care concerns. Your Committee also requests the Department of Health to timely notify your Committee on Health of the publication of relevant reports, including the Child Death Review, upon publication of those reports.

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. 2821 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Slom).

SCRep. 2196 Health on S.B. No. 2825

The purpose and intent of this measure is to authorize the Department of Health to:

- (1) Allow limited access by authorized health organizations to registry information in the Hawaii Immunization Registry to produce immunization assessment reports; and
- (2) Store minimal demographic information for individuals who have elected to refuse inclusion in the Hawaii Immunization Registry.

Your Committee received testimony in support of this measure from the Department of Health, HMSA, and the Hawaii Association of Health Plans.

Your Committee finds that allowing health insurers to access the Hawaii Immunization Registry in order to generate immunization assessment reports will better enable insurers to formulate strategies to improve immunization rates among their insureds.

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. 2825 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Slom).

SCRep. 2197 Health on S.B. No. 2828

The purpose and intent of this measure is to revise the Hawaii Early Intervention Coordinating Council membership and functions to be consistent with the requirements regarding the State Interagency Coordinating Council in part C of the Individuals with Disabilities Education Act of 2004.

Your Committee received testimony in support of this measure from the Department of Health, Consumer Family and Youth Alliance, and one individual.

Your Committee finds that a broader membership for the Hawaii Early Intervention Coordinating Council will help to ensure the provision and coordination of early intervention services to meet the needs of infants and toddlers with or at biological risk of developmental delays.

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. 2828 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Slom).

SCRep. 2198 Health on S.B. No. 2833

The purpose and intent of this measure is to exempt recipients of state-funded home and community-based services from having to provide unemployment insurance, workers' compensation, temporary disability insurance, and pre-paid health care.

Your Committee received testimony in support of this measure from the Department of Health, the Consumer Family and Youth Alliance, and one individual.

Your Committee finds that this exemption will allow more flexibility for individuals with developmental and intellectual disabilities to better access needed services.

Your Committee notes that the title of this measure as introduced contains a misspelled word that is intended to mean an employment exemption for domestic services for persons with developmental and intellectual disabilities.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2833 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Slom).

SCRep. 2199 (Joint/Majority) Education and Economic Development and Technology on S.B. No. 2482

The purpose and intent of this measure is to:

- (1) Establish the public schools science and technology trust fund to facilitate initiatives that promote the learning and teaching of science and technology in public schools; and
- (2) Require the Department of Taxation to allow a taxpayer to designate a specified amount of the taxpayer's income tax refund to be paid to the Hawaii public schools science and technology trust fund.

Your Committees received testimony in support of this measure from the Department of Education, Public Schools of Hawaii Foundation, American Statistical Association – Hawaii Chapter, and four individuals. 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 find that while this measure provides a creative way to allow individuals to support the learning and teaching of science and technology in the State, it also adds the Hawaii public schools science and technology trust fund to the growing number of programs for which taxpayers may designate a portion of their income tax refund.

As this measure progresses, your Committees urge the Department of Taxation to provide a cost estimate for the implementation of the income tax refund designation proposed by this measure.

Your Committees also note that further discussion is necessary to determine the appropriate entity to oversee the trust fund, as well as which entities will be allowed to utilize trust fund monies.

Your Committees have amended this measure by changing the effective date to July 1, 2050, to ensure further discussion.

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. 2482, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2482, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, 1 (Slom). Excused, none.

SCRep. 2200 (Joint) Education and Water, Land, and Housing on S.B. No. 2534

The purpose and intent of this measure is to establish the school facilities special fund and require that the income generated by the Public Land Development Corporation from public school lands and facilities be deposited in the special fund for the purposes of new construction, upgrades, and repair and maintenance of public school facilities.

Your Committees received testimony in support of this measure from the Public Land Development Corporation, Department of Education, Hawaii Institute for Public Affairs, Hawaii Laborers-Employers Cooperation and Education Trust, Land Use Research Foundation of Hawaii, and Hawaii Carpenters Union. Your Committees received comments on this measure from the Department of Budget and Finance, Office of Hawaiian Affairs, The Pacific Resource Partnership, and one individual.

Your Committees find that this measure has the potential to provide the Department of Education with much needed capital for new school construction and the upgrade and retrofit of existing schools to meet twenty-first century standards. Your Committees further find that twenty-first century school standards should, among other things, incorporate:

- (1) Modular design and construction to provide flexibility for all types of learning;
- (2) Design that will allow the accommodation of community uses before and after school hours to maximize the benefits for students, parents, teachers, and community members;
- (3) Conduits for electricity and internet broadband capabilities throughout the school; and
- (4) Design and construction methods that will foster more efficient use of energy, space, and financial resources.

Your Committees have amended this measure by:

- (1) Adding language to clarify that funds deposited into the school facilities special fund are the proceeds less certain costs associated with bond issuance and administering, operating, and maintaining projects on public school land or utilizing public school facilities;
- (2) Giving the Department of Education, in consultation with the Board of Education, the responsibility of administering the school facilities special fund rather than the Public Land Development Corporation;
- (3) Clarifying that the school facilities special fund is to be used for the retrofit and upgrade of existing school facilities to meet twenty-first century school standards rather than general repair and maintenance; 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 Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2534, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2534, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 1 (Fukunaga).*

* On May 3, 2012, Senator Dela Cruz noted that Senator Slom's "no" vote was inadvertently recorded as an "aye" vote. The corrected record of votes reads as follows:

Ayes, 9. Noes, 1 (Slom). Excused, 1 (Fukunaga).

SCRep. 2201 Education on S.B. No. 2652

The purpose and intent of this measure is to repeal the minimum hourly and per diem rates for substitute teachers set forth in section 302A-624, Hawaii Revised Statutes, and repealing the statutory requirement that substitute teacher wage adjustments shall be based on teachers' pay and subject to legislative approval.

Your Committee received testimony in support of this measure from the Department of Education.

Your Committee finds that this measure will provide the Board of Education and Department of Education with the flexibility to determine pay rates for substitute teachers.

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. 2652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2652, 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. 2202 Education on S.B. No. 2775

The purpose and intent of this measure is to provide flexibility to the Department of Education to implement student health programs by repealing:

- (1) Certain operational requirements established in chapter 302A, Hawaii Revised Statutes; and
- (2) The requirement that the Department of Education adopt administrative rules for its student health program.

Your Committee received testimony in support of this measure from the Department of Education, State Council on Developmental Disabilities, Office of Hawaiian Affairs, and Community Children's Council of Hawaii. Your Committee received testimony in opposition to this measure from the Hawaii Government Employees Association, HGEA/AFSCME, Local 152, AFL-CIO (HGEA).

Your Committee finds that this measure will give the Department of Education the flexibility necessary to ensure that schools are able to provide health programs and services that reflect the needs of their students and the school community. As this measure progresses, your Committee encourages the Department of Education to consult with the appropriate bargaining units of HGEA.

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. 2775, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2775, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6, Ayes with Reservations (Taniguchi). Noes, none. Excused, none.

SCRep. 2203 Education on S.B. No. 2969

The purpose and intent of this measure is to require the Department of Taxation to allow a taxpayer to designate a specified amount of the taxpayer's income tax refund to be paid to the early learning trust fund.

Your Committee received testimony in support of this measure from the Department of Human Services, Early Learning Council, and Institute for Native Pacific Education and Culture. Your Committee received testimony in opposition to this measure from the Department of Taxation. Your Committee received comments on this measure from the Good Beginnings Alliance and Tax Foundation of Hawaii.

Your Committee finds that this measure adds the early learning trust fund to the growing number of programs for which taxpayers may designate a portion of their income tax refund. However, this measure also provides a creative way to allow individuals to support early learning in the State. As such, your Committee believes that further discussion on this measure is warranted.

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. 2969 and recommends that 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. 2204 Judiciary and Labor on S.B. No. 2738

The purpose and intent of this measure is to make an appropriation to satisfy several claims against the State for refunds of taxes, judgments and settlements, and other miscellaneous payments.

Your Committee received testimony in support of this measure from the Department of the Attorney General and the Department of Education.

Your Committee finds that this measure requests a total of \$2,228,064.01 in appropriations from the general fund to satisfy twelve claims against the State and a total of \$210,000 in appropriations from the state highway fund to satisfy one claim against the State. Timely passage of this measure will minimize interest on those amounts.

Your Committee has amended this measure by:

- (1) Deleting a settlement claim totaling \$328,250 from this measure, as requested by the Department of the Attorney General, which reduces the total amount of appropriations from the general fund to \$1,899,814.01 in order to satisfy eleven claims against the 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. 2738, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2738, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 2205 Judiciary and Labor on S.B. No. 2051

The purpose and intent of this measure is to establish a convenient means for individuals to register to vote and thereby increase voter participation. Specifically, this measure:

- (1) Authorizes the county clerk to accept electronic voter registration applications;
- (2) Makes an appropriation for \$500,000 for fiscal year 2012-2013, for the planning and design of an online voter registration system;

- (3) Repeals the provision that requires the list postings of all registered voters in each precinct at polling places, due to confidentiality concerns; and
- (4) Makes several housekeeping amendments to update the voter registration laws to conform to online voter registration, and remove references to obsolete processes and technologies.

Your Committee received testimony in support of this measure from the Office of Elections; the Office of the County Clerk of the County of Kauai; the Office of the City Clerk of the City and County of Honolulu; the Office of the County Clerk of the County of Maui; the Americans for Democratic Actions of Hawaii; Common Cause Hawaii; the League of Women Voters of Hawaii; and four private individuals.

Your Committee finds that Hawaii's voter turnout has consistently been at or near the bottom of voter turnout across the nation. This measure establishes a convenient method for individuals to register to vote in order to expedite the voter registration process for registrants and election officials. Additionally, an online voter registration system will modernize registration methods, and encourage more eligible voters to register and participate in voting.

Your Committee notes that the appropriation in this measure is for planning and design of an online voter registration system. Additional funding may be necessary in the future to facilitate the implementation of the online system. As such, your Committee believes that the dialogue regarding any necessary additional funds should be continued by the Committee on Ways and Means.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2051, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2051, S.D. 1, 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. 2206 Judiciary and Labor on S.B. No. 2070

The purpose and intent of this measure is to allow an appointing authority to waive the one-year residency requirement of certain appointive officers possessing highly specialized or scientific knowledge and training in the event that no other qualified applicant who does meet the residency requirement is available.

Your Committee received testimony in support of this measure from the Department of Human Resources of the City and County of Honolulu.

Your Committee finds that existing law requires that all appointive officers of the State or a county who are employed as department heads and deputies or assistants to department heads be United States citizens and state residents for at least one year. However, this one-year state residency requirement may create difficulties when hiring appointive officers to fill positions that require a certain level of highly specialized or scientific knowledge or training and for which no qualified local applicant is available to fill that position. This measure provides an exception to the law under certain circumstances, so that positions may be filled with officers possessing the necessary specialized expertise and skills.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to ensure 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. 2070, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2070, S.D. 1, 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. 2207 Judiciary and Labor on S.B. No. 2699

The purpose and intent of this measure is to make an emergency appropriation in the amount of \$1,725,000 for fiscal year 2011-2012, to fund the State's voting system contract for the 2012 elections.

Your Committee received testimony in support of this measure from the Office of Elections; the Office of the County Clerk of the County of Kauai; and the Office of the County Clerk of the County of Maui.

Your Committee finds that the Office of Elections is in a multi-year contract with a vendor to provide a voting system for elections. Although there was sufficient funding to cover the prior 2010 election cycle, the current biennium budget for the Office of Elections does not include funding for the 2012 election cycle of the contract. As such, this measure provides the Office of Elections sufficient funding to cover its portion of the cost for the voting system as well as ensures that the office fulfills maintenance of effort provisions of the Help America Vote Act of 2002, which is necessary to maintain the State's eligibility for federal funding.

As affirmed by the record of votes of the members 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. 2699 and recommends that 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. 2208 Judiciary and Labor on S.B. No. 2701

The purpose and intent of this measure is to make clarifying amendments to the laws governing the Hawaii Employer-Union Health Benefits Trust Fund. More specifically, this measure:

- (1) Defines “credited service” to align with the use of the term “service” under the pension and retirement laws; and
- (2) Clarifies the meaning of “employee” and “part-time, temporary, and seasonal or casual employee” to comport with existing public employee health benefits laws by clarifying that:
 - (A) An employee does not include a per diem employee; and
 - (B) A part-time, temporary, and seasonal or casual employee is a person that is employed for fewer than three months or whose employment is less than one-half of a full-time equivalent position; not necessarily both.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that certain terminology relating to the Hawaii Public Employees Health Fund, the predecessor of the Hawaii Employer-Union Health Benefits Trust Fund, remains in law and does not comport with existing public employee health benefits laws or reflect the Legislature’s intent to grant health fund benefits to public sector employees based on status as an employee or service credits. As such, this measure makes clarifying amendments to and updates the laws governing the Hawaii Employer-Union Health Benefits Trust Fund.

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. 2701, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2701, S.D. 1, and be 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. 2209 Judiciary and Labor on S.B. No. 2751

The purpose and intent of this measure is to amend the statutory requirements for the Board of Trustees of the Employees’ Retirement System to require one of the non-employee board members to possess substantial experience in finance rather than be a bank officer.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, the Employees’ Retirement System, and the Department of Budget & Fiscal Services of the City and County of Honolulu.

Your Committee finds that as the size and corpus of the Employees’ Retirement System increases, so does the need for experienced trustees with desirable credentials in order to manage the system. The Board of Trustees has become more involved in the nature and substance of its investments as a means to garner the best possible return for beneficiaries while safeguarding the corpus to ensure long-term viability of the system. As such, this measure requires that one of the three non-employee members of the Board of Trustees to possess substantial experience in finance in order to be more contemporary with the requirements of managing a multi-billion dollar trust.

As affirmed by the record of votes of the members 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. 2751 and recommends that 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. 2210 Judiciary and Labor on S.B. No. 2753

The purpose and intent of this measure is to authorize the Hawaii Employer-Union Health Benefits Trust Fund to create a trust fund for the purpose of receiving employer contributions that will prefund post-employment health and other benefits costs for retirees and their beneficiaries.

Your Committee received testimony in support of this measure from the Department of the Attorney General; the Department of Budget and Finance; the Department of Budget & Fiscal Services of the City and County of Honolulu; the Finance Department of the County of Hawaii; the Hawaii State Teachers Association; and the United Public Workers, AFSCME Local 646, AFL-CIO.

Your Committee finds that an audit of the Hawaii Employer-Union Health Benefits Trust Fund concluded that the trust fund does not have a separate trust fund that meets the requirements of the Government Accounting Standards Board regarding other post-employment benefits trusts. Specifically, an other post-employment benefits trust must have the specific criteria of irrevocability of contributions, dedication of plan assets to paying benefits in accordance with the plan, and legal protection of the plan assets from creditors. Currently, several counties have made pre-funded contributions toward other post-employment benefits, but are unable to receive credit for the contributions because an established trust fund does not exist that meets the Government Accounting Standards Board requirements for other post-employment benefits plans. As such, this measure is intended to provide the means for these types of contributions that complies with the Government Accounting Standards Board’s requirements.

Your Committee has amended this measure by:

- (1) Adding language suggested by the Department of the Attorney General that clarifies that this measure is not intended to bind the State or the counties to make contributions to the Hawaii Employer-Union Health Benefits Trust Fund, but only to establish a separate trust fund in accordance with the Government Accounting Standards Board requirements; 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. 2753, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2753, S.D. 1, 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. 2211 (Joint) Health and Energy and Environment on S.B. No. 2292

The purpose and intent of this measure is to prohibit:

- (1) The Department of Health from issuing permits for new covered sources that will burn or consume coal for energy needs and for the expansion, relocation, or modification of existing covered sources that would increase the burning or consumption of coal for energy needs; and
- (2) The Public Utilities Commission from approving new, modified, or renewed power purchase agreements that propose to burn or consume coal to generate energy

Your Committees received testimony in support of this measure from the Sierra Club Hawaii Chapter, Blue Planet Foundation, Life of the Land, and two individuals. Your Committees received testimony in opposition to this measure from AES Hawaii, Inc. and Alexander & Baldwin, Inc. Your Committees received comments on this measure from the Department of Health and the Public Utilities Commission.

Your Committees find that burning coal produces toxic mercury, adversely impacts Hawaii's air quality, and releases more greenhouse gas emissions than any other fuel source. Consequently, your Committees find that coal is not part of a clean and sustainable energy future for the State. Your Committees further find that in the Hawaii Clean Energy Initiative's energy agreement, participating parties, including the State of Hawaii and the United States Department of Energy, acknowledged that new generators fueled partly or entirely by coal are not in the interests of the people of the State and that attempts to add new coal-based generation in Hawaii would be opposed.

Your Committees have amended this measure by:

- (1) Prohibiting the Public Utilities Commission from approving a power purchase agreement for a new power plant that proposes to burn or consume coal to generate energy unless the proposed power plant replaces a less-efficient power plant of equal or greater capacity that burns or consumes fossil fuels to generate electricity;
- (2) Prohibiting the Public Utilities Commission from approving a modified or renewed power purchase agreement for a power plant that proposes to burn or consume more coal to generate energy than under the previous power purchase agreement; 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 Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2292, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2292, 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, Ayes with Reservations (Baker). Noes, none. Excused, 4 (English, Nishihara, Wakai, Slom).

SCRep. 2212 (Joint/Majority) Energy and Environment and Economic Development and Technology on S.B. No. 2666

The purpose and intent of this measure is to create a tax credit for investments in the development and construction of a biofuel production facility that may only be claimed after the production facility becomes commercially operational.

Your Committees received testimony in support of this measure from the Office of Environmental Quality Control, Aina Koa Pono, Blue Planet Foundation, International Longshore and Warehouse Union Local 142, Hawaiian Electric Company, Hawaii Bioenergy LLC, and two individuals. Your Committees received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, Hawaii Renewable Energy Alliance, Pacific Biodiesel, and two individuals.

Your Committees find that the long-term benefits of a locally situated biofuel production facility merit the support of the people and State of Hawaii, despite the short-term costs associated with the development and construction of such a facility. This measure proposes to set: (1) the amount of the credit at fifteen percent of the qualified development and construction costs of a biofuel production facility; and (2) the maximum total tax credits claimed by a biofuel facility at \$60,000,000. Your Committees welcome the guidance of your Committee on Ways and Means as to the appropriate percentage of the tax credit and appropriate maximum amount of total tax credits that may be claimed.

Your Committees further find that a tax credit would provide a substantial financial benefit to its recipient. Your Committees believe it is appropriate to require a recipient of the credits to refund the State the full amount of any credits earned and claimed over a period of ten years after obtaining the full amount of the credit.

Your Committees have amended this measure by:

- (1) Amending section 2, which establishes the tax credit, as follows:

- (A) Replacing references to the date on which a biofuel facility becomes “commercially operational” with references to the date on which a biofuel facility is “placed in service”;
 - (B) Replacing the term “qualified production costs” with the term “qualified development and construction costs”;
 - (C) Deleting language requiring a biofuel production facility to use locally grown feedstock for at least seventy-five percent of its production output;
 - (D) Making the tax credit non-refundable and allowing any unused tax credit to be carried forward until it is depleted; and
 - (E) Adding language that would require a recipient of the tax credit to refund the State of Hawaii the entire amount of the tax credit earned and claimed, in one payment in the tenth taxable year after the recipient obtains its final tax credit;
- (2) Changing the effective date to July 1, 2050, to ensure 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 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. 2666, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2666, 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 (Baker). Noes, 1 (Solomon). Excused, 2 (Green, Slom).

SCRep. 2213 (Joint) Economic Development and Technology and Energy and Environment on S.B. No. 2402

The purpose and intent of this measure is to establish a night sky protection strategy requiring all state agencies to comply with shielded lighting fixture requirements, beginning July 1, 2013.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Accounting and General Services; the Starlight Reserve Committee; the University of Hawaii System; and five individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources, Department of Transportation, and Historic Hawaii Foundation.

Your Committees find that the Starlight Reserve Committee was established by Act 161, Session Laws of Hawaii 2009. The Starlight Reserve Committee held its first meeting in July 2010, and met on a regular basis throughout 2011. One of the tasks of the Starlight Reserve Committee was to develop proposed legislation for statewide intelligent lighting laws that reduce light pollution through proper shielding of outdoor lights in Hawaii. Your Committees further find that this measure provides exemptions to reduce or eliminate additional costs related to the use of properly shielded lights, where appropriate.

Your Committees have amended this measure by:

- (1) Adding an additional exemption for the refurbishment, repair, or replacement-in-kind of lighting fixtures that are character-defining features of a historic property, as determined by the Department of Land and Natural Resources Historic Preservation Division; 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 Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2402, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2402, S.D. 1, and be referred to the Committee on Public Safety, Government Operations, and Military Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Green, Slom).

SCRep. 2214 (Joint) Human Services and Health on S.B. No. 2083

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 Committees received testimony in support of this measure from the Hawaii Government Employee Association, AFSCME Local 152, AFL-CIO; the Hawai'i Primary Care Association; the Healthcare Association of Hawaii; Kaiser Permanente; The Chamber of Commerce of Hawaii; and two individuals. Your Committees received testimony in opposition to this measure from the Department of Human Services.

Your Committees find that Hawaii is experiencing a hospital provider shortage. Many facilities provide services to Medicaid patients, who on average have health conditions and associated socio-economic problems that lead to higher service delivery costs. Existing facilities should be provided with the payments necessary to ensure the continued delivery of high-quality emergency and in-patient services. Your Committees also find that this measure, as currently drafted, would authorize a new appropriation over and above certified public expenditures as the State's share for the full disproportionate share hospital allowance and would result in an increase in the supplement to more than \$19,000,000 or an additional \$9,282,684 for the State's share for fiscal year 2012, which was not included in the Governor's budget.

Your Committees have therefore amended this measure by inserting an effective date of July 1, 2050, to ensure 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. 2083, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2083, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 3 (Baker, Wakai, Slom).

SCRep. 2215 (Joint) Human Services and Health on S.B. No. 2227

The purpose and intent of this measure is to provide funding for quality, cost-effective, direct health care through community health centers for Hawaii residents who are uninsured, including those who will be disenrolled from the Medicaid QUEST program pending eligibility changes in April 2012.

Your Committees received testimony in support of this measure from the Department of Health, the Hawaii Island Community Development Corporation, the Hawai'i Primary Care Association, the Healthcare Association of Hawaii, Ho'ola Lahui Hawai'i, the Kalihi-Palama Health Center, the Lana'i Community Health Center, the Waianae Coast Comprehensive Health Center, and two 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 Waikiki Health Center.

Your Committees find that approximately twenty-five percent of the patients at community health centers are uninsured. As Medicaid eligibility reductions are implemented this year, providers anticipate an increase in the uninsured population. Your Committees also find that nonprofit community health centers have proven to be effective in providing comprehensive, primary care services to residents of poor and disadvantaged communities. Community health centers also assist in keeping other components of the health care system viable by reducing the numbers of patients who require emergency care and reducing the impact of uncompensated care on other providers.

Your Committees note that if the maximum income allowed for QUEST eligibility decreases from 200 percent to 133 percent of the federal poverty level, approximately 3,000 to 3,500 adults will lose QUEST Adult benefits. Since the average monthly capitation rate is \$160 per month per adult, the estimated cost of providing annual QUEST Adult benefits to an average of 3,250 persons is approximately \$6,300,000.

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. 2227 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, Wakai, Slom).

SCRep. 2216 (Joint) Human Services and Health on S.B. No. 2306

The purpose and intent of this measure is to:

- (1) Establish a long-term care task force to coordinate and consolidate state long-term care programs and services under a single executive department or division;
- (2) Establish the position of Deputy Healthcare Transformation Coordinator under the Office of the Governor; and
- (3) Appropriate funds to establish the position of the Deputy Healthcare Transformation Coordinator.

Your Committees received testimony in support of this measure from the Office of the Healthcare Transformation Coordinator under the Office of the Governor, the Executive Office on Aging of the Department of Health, the State Council on Developmental Disabilities, AARP, the Policy Advisory Board for Elder Affairs, and one individual. Your Committees received comments on this measure from the Legislative Reference Bureau and one individual.

Your Committees find that long-term care is an important consideration for any effort to transform Hawaii's health care system, and that the magnitude, policy, and resource needs for long-term care warrant significant attention. Establishing a coordinator position will assist in managing state long-term care activities. Additionally, establishing a task force to plan for the consolidation will assist the Legislature in identifying what long-term care programs and services exist and what can be consolidated under a single department or division.

Your Committees note that testimony from the Legislative Reference Bureau requests that the task force's recommendations and proposed legislation, if any, be submitted to the Bureau on an earlier date as to ensure adequate time for drafting, review, and any necessary revisions.

Your Committees have amended this measure by:

- (1) Establishing the long-term care task force under the direction of the Deputy Healthcare Transformation Coordinator within the Office of the Healthcare Transformation Coordinator;
- (2) Allowing the task force chair to appoint additional task force members;
- (3) Delaying the date by which the Deputy Healthcare Transformation Coordinator shall submit its report of task force activities to the Legislature to no later than twenty days prior to the convening of the Regular Session of 2014;
- (4) Requiring the Legislative Reference Bureau to assist the task force in drafting legislation; provided that the task force shall submit its recommendations and proposed legislation, if any, to the Bureau no later than November 1, 2013;
- (5) Delaying the date on which the task force shall be dissolved to June 30, 2014;

- (6) Requiring nomination of the Deputy Healthcare Transformation Coordinator by the Healthcare Transformation Coordinator in consultation with the Directors of Health and Human Services, the Long-Term Care Commission, and other stakeholders, to the Governor for appointment; 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2306, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2306, 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, Wakai, Slom).

SCRep. 2217 Human Services on S.B. No. 2589

The purpose and intent of this measure is to require the Department of Human Services to automatically enroll former foster youth in an appropriate medical assistance program and automatically re-enroll former foster youth until they reach the age of twenty-six.

Your Committee received testimony in support of this measure from Epic 'Ohana, Inc.; Family Programs Hawai'i; the Hawaii Foster Youth Coalition; the Hawaii Youth Services Network; and six individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that medical coverage is something that is vital for everyone, but even more so for the former foster youth population. When young adults lack medical coverage, it can result in serious harm from untreated illness or injury, inappropriate use of emergency medical services, and unnecessary costs. Your Committee further finds that under the federal Patient Protection and Affordable Care Act of 2010, beginning in 2014, individuals who aged out of foster care and are younger than twenty-six years of age will be eligible for Medicaid.

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. 2589 and recommends that 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. 2218 Human Services on S.B. No. 2806

The purpose and intent of this measure is to authorize the Board of Directors of the Hawaii Public Housing Authority to set the Executive Director's compensation based on a comparability analysis and other factors.

Your Committee received testimony in support of this measure from the Department of Human Services and the Hawaii Public Housing Authority.

Your Committee finds that the United States Department of Housing and Urban Development issued a notice on August 26, 2011, to the Department of Human Services that requires all public housing authorities to report executive compensation information and to conduct comparability analyses when determining the executive directors' compensation levels. Your Committee further finds that under section 356D-2, Hawaii Revised Statutes, the Executive Director's compensation is to be no more than eighty-five percent of the Director of Human Resources Development's salary. This measure will provide the Hawaii Public Housing Authority Board of Directors the ability to set the Executive Director's compensation in conformance with the Department of Housing and Urban Development's notice and thereby avoid severe monetary penalties for non-compliance.

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. 2806 and recommends that 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. 2219 Human Services on S.B. No. 2795

The purpose and intent of this measure is to ensure that the definition of "aggravated circumstances" in chapter 587A, Hawaii Revised Statutes, is consistent with recent changes to the federal Child Abuse Prevention and Treatment Act.

Your Committee received testimony in support of this measure from the Department of Human Services, the Department of the Attorney General, Family Programs Hawai'i, and one individual.

Your Committee finds that the Administration for Children and Families has informed the State that recent changes to the Child Abuse Prevention and Treatment Act of 2010 need to be incorporated into chapter 587A, Hawaii Revised Statutes, the Child Protective Act. These changes will allow the Department of Human Services to continue to receive federal Child Abuse Prevention and Treatment Act funding of approximately \$140,000, which is used to provide family strengthening services and child death 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. 2795 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. 2220 Human Services on S.B. No. 2591

The purpose and intent of this measure is to require public events celebrating Children and Youth Day to be held on State Capitol grounds on the first Sunday in October if the Children and Youth Day planning committee so chooses, unless otherwise determined by the Governor.

Your Committee received testimony in support of this measure from the Hawaii Youth Services Network and two individuals.

Your Committee finds that holding Children and Youth Day events on State Capitol grounds encourages and supports citizen involvement in public policy development, promotes access to the legislative process, and informs legislators of the issues and challenges facing Hawaii's children and youth.

Your Committee notes that since young people gain their first exposure to Hawaii's legislative process by participating in the Children and Youth Summit, the Summit should also be held on State Capitol grounds.

Your Committee has therefore amended this measure by:

- (1) Adding language to direct public events such as the Children and Youth Summit to also be held on State Capitol grounds in the month of October; 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. 2591, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2591, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Slom).

SCRep. 2221 Human Services on S.B. No. 2095

The purpose and intent of this measure is to appropriate funds to the Department of Human Services to respond to the United States Department of Agriculture's mandate to amend supplemental nutrition assistance program eligibility requirements, which expands program eligibility from no more than 130 percent to no more than 200 percent of the federal poverty level.

Your Committee received testimony in support of this measure from three individuals. Your Committee received testimony in opposition to this measure from Molokai Advertiser-News. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that the supplemental nutrition assistance program, formerly known as the food stamp program, is a beneficial federal program that provides food for those with incomes inadequate to purchase food for a regular, wholesome diet. Your Committee also finds that in 2010, the federal government increased funding to the supplemental nutrition assistance program and changed the rules to set the gross income limit to the maximum allowable income of 200 percent of the federal poverty level, which allows more families to qualify.

Your Committee notes that according to the testimony from the Department of Human Services, by implementing the expanded categorical eligibility provision, which allows individuals with incomes of no more than 200 percent of the federal poverty level to be eligible for the supplemental nutrition assistance program, the Department has experienced an increase in its caseload. Since October 2010, the Department's caseload increased 12.6 percent and from July 1, 2008, to June 30, 2011, it increased 63 percent. The increased caseload coupled with the Department's substantial workforce reduction and lost time due to furloughs caused the Department to miss federally mandated deadlines for the processing of program applications and resulted in a preliminary injunction levied against the Department. Although the Department supports the intent of this measure, it cannot support the measure to the extent that it seeks to appropriate additional funds to the Department outside the Governor's supplemental budget request.

Your Committee has amended this measure by:

- (1) Deleting the dollar amount of the appropriation and leaving the amount unspecified for determination by the Committee on Ways and Means;
- (2) Clarifying that the purpose of the appropriation is for the Department of Human Services to sufficiently respond to and carry out the requirements of the United States Department of Agriculture's mandate to amend the supplemental nutrition assistance program eligibility requirement from no more than 130 percent to no more than 200 percent of the income poverty guidelines; 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. 2095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2095, 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. 2222 Human Services on S.B. No. 2260

The purpose and intent of this measure is to exempt from general excise taxes rents received from qualifying nonprofits, government agencies, and certain state-contracted provider agencies that provide homeless transitional shelters.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that transition housing provides emergency shelter and support services to homeless families to help them become independent. This measure creates a tax incentive to encourage the provision of more transitional housing.

Your Committee has amended this measure by:

- (1) Adding language to clarify that the nonprofit organization, government agency, or contract agency that intends to claim the exemption is a party to the Signed lease or rental agreement on the real property;
- (2) Clarifying the definition of “transitional shelter for homeless persons” to specify that individuals or families may stay at the facility for up to twenty-four months; 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. 2260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2260, 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. 2223 (Joint) Human Services and Public Safety, Government Operations, and Military Affairs on S.B. No. 2594

The purpose and intent of this measure is to require the Homeless Programs Office of the Department of Human Services to:

- (1) Establish designated safe areas in which homeless persons may live until permanent housing becomes available;
- (2) Establish rules, a code of conduct, and fees for residents of the designated safe areas; and
- (3) Partner with certain community and nonprofit organizations to provide homeless support services for residents of the designated safe areas and coordinate with state and county law enforcement officials to ensure the safety of individuals residing in the designated safe areas.

Your Committees received testimony in support of this measure from the Hawai‘i Appleseed Center for Law and Economic Justice and two individuals. Your Committees received testimony in opposition to this measure from the Department of Human Services, the Leeward Housing Coalition, and one individual. Your Committees received comments on this measure from the Hawaii Youth Services Network.

Your Committees find that the homeless crisis is expanding at an alarming rate throughout all of the islands. Even in the best economic times, thousands of low-income individuals and families struggle to find affordable shelter. Your Committees also find that successful homeless shelter models exist and are successful due to the sensible restrictions that have been developed, including the enforcement of strict rules against the use of drugs or alcohol and the prohibition against all forms of violence.

Your Committees note that according to the Department of Human Services’ testimony, the Department is concerned about the cost of the amenities included in this measure and the impact on current levels of funding for homeless programs.

Your Committees have amended this measure by:

- (1) Inserting an appropriation of \$100,000 to be expended by the Department of Human Services for the establishment of designated safe areas; and
- (2) Changing the effective date to July 1, 2012.

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. 2594, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2594, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 2 (Ryan, Slom).

SCRep. 2224 Human Services on S.B. No. 2803

The purpose and intent of this measure is to allow the Department of Human Services and the Department of Health to accept contract proposals from organizations that are not yet licensed to operate a child care program at a facility specified in the contract proposal.

Your Committee received testimony in support of this measure from the Department of Human Services and the State Procurement Office.

Your Committee finds that under the child care program, a contract agreement is not finalized until after the awardee meets all of the licensing requirements specified in the Department of Human Services’ administrative rules. This process is necessary because the requests for child care services are tied to a site requested by the Department. Your Committee also finds that requiring a license before an application can be submitted for a child care program limits the applicants who are allowed to submit a proposal to only those entities that are currently licensed to operate a child care program and thereby restricts new providers from entering the child care business.

According to testimony from the State Procurement Office, section 103F-401.5, Hawaii Revised Statutes, restricts competition that may affect not only the child care program but other programs as well.

Your Committee has therefore amended this measure by:

- (1) Amending section 103F-401.5, Hawaii Revised Statutes, to prohibit the performance of a contract rather than acceptance of a contract proposal, by any applicant lacking the necessary license;
- (2) Adding language that requires contract proposals submitted under chapter 103F, Hawaii Revised Statutes, to include the all-inclusive cost to the State and prohibits an award or contract from including payment for any costs not included in the proposal; 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. 2803, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2803, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Slom).

SCRep. 2225 Human Services on S.B. No. 2650

The purpose and intent of this measure is to amend the offense of promoting a controlled substance in, on, or near schools, school vehicles, or public parks to include public housing projects and complexes.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority of the Department of Human Services, the Police Department of the City and County of Honolulu, and one individual. Your Committee received testimony in opposition to this measure from Molokai Advertiser-News and the Drug Policy Forum of Hawai'i.

Your Committee finds that there is a cycle of substance abuse and drug trafficking common in public housing projects or complexes. This measure will establish the crime of promoting a controlled substance in, on, or near a public housing project or complex as a class C felony, or, in the case of manufacturing methamphetamine within a certain distance from a public housing project or complex, as a class A felony. These deterrents should significantly improve the ability of the Hawaii Housing Public Authority to ensure a secure, livable community for public housing residents.

Your Committee has amended this measure by including state low-rent public housing programs in the definition of "public housing project or complex".

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. 2650, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2650, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Slom).

SCRep. 2226 Human Services on S.B. No. 2575

The purpose and intent of this measure is to:

- (1) Amend the definition of child abuse or neglect to include acts or omissions of any person or legal entity;
- (2) Requires mandatory reporting by certain individuals when there is reasonable suspicion of child abuse or neglect;
- (3) Expands medical personnel's duty to report wounds to include injuries suffered by a victim of labor trafficking or injuries that result from prostitution; and
- (4) Subjects a person who reports wounds to physician-patient privilege regarding patient communications for the diagnosis or treatment of the patient but not regarding the physician's observations of the patient.

Your Committee received testimony in support of this measure from Courage House Hawaii, Equality Now, IMUAlliance, the Justice Project Hawaii, Kapi'olani Medical Center for Women and Children, Pali Momi Medical Center, Tadia Rice Consulting, the Pacific Alliance to Stop Slavery, and five individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services; the Department of the Prosecuting Attorney, City and County of Honolulu; Harm Reduction Hawaii; Hawaii Youth Services Network; the Pacific Survivor Center; the Sex Abuse Treatment Center; and one individual. Your Committee received comments on this measure from the Department of the Attorney General, Planned Parenthood of Hawaii, and one individual.

Your Committee finds that human trafficking is on the rise worldwide. Studies have shown that many victims sought medical attention while being held in captivity but were not reported as victims of trafficking. Your Committee also finds that if a health care provider encounters a possible victim of trafficking who is over the age of eighteen, the health care provider is only able to offer to notify law enforcement or a victims specialist.

Your Committee further finds that under this measure, health care providers are compelled to report certain cases to law enforcement, even against the will of the patient. This can have adverse results such as undermining the patient-provider relationship, deterring victims from disclosing their situations, and deterring victims from seeking health care services.

Your Committee has therefore amended this measure by:

- (1) Adding language to describe the background and purpose of this measure;
- (2) Deleting language that amends the definition of child abuse that included acts or omission of any person or legal entity related to a child;

- (3) Deleting language that requires an individual to report cases to the local police department if the individual has a reasonable suspicion that child abuse or neglect has occurred or that there exists a substantial risk that child abuse or neglect may occur; and
- (4) Adding language to make the reporting by certain medical personnel of injuries reasonably believed to have been caused by the use of violence or sustained in a suspicious or unusual manner, including injuries that result from labor trafficking or prostitution, discretionary, rather than mandatory.

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. 2575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2575, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Slom).

SCRep. 2227 Human Services on S.B. No. 2595

The purpose and intent of this measure is to:

- (1) Require the Department of Health to develop and establish a family cost participation schedule of monthly cost participation fees for early intervention services; and
- (2) Authorize the Department of Health to offer early intervention services on a fee-for-service basis for children who are ineligible for services under part C of the Individuals with Disabilities Education Act.

Your Committee received testimony in support of this measure from four individuals. Your Committee received comments on this measure from the Department of Health and one individual.

Your Committee finds that last year, the Department of Health changed the eligibility standard for children who would qualify for early intervention services. This change is projected to result in twenty-five percent fewer infants and toddlers receiving early intervention services, which include physical, occupational, and speech therapy.

Your Committee also finds that although the Department of Health already has the authority to develop a sliding fee schedule for early intervention services on a fee-for-service basis for children who are ineligible under part C of the Individuals with Disabilities Education Act, the cost to implement the sliding fee schedule may be greater than the total amount of fees that would be collected.

Your Committee further finds that providing early intervention services on a fee-for-service basis to ineligible children still does not address the children and families who may need but cannot afford services that promote child development.

Your Committee has therefore amended this measure by:

- (1) Requiring the Department of Health and any other department or office responsible for providing early intervention services to maintain the eligibility criteria or the scope of covered services for early intervention services at a minimum of the same level that was in effect on January 1, 2012;
- (2) Allowing children who were eligible as of January 1, 2012, to remain eligible for early intervention services under certain circumstances;
- (3) Allowing, rather than requiring the Department to establish a family cost participation schedule for early intervention services, which may include a sliding fee schedule; and
- (4) Allowing the Department to include in its contracts with early intervention service providers a provision that requires the provider to provide early intervention services on a fee-for-service basis, at a rate no higher than the amount the provider would have been reimbursed under its contract with the state contracting entity, to individuals who are ineligible under part C of the Individuals with Disabilities Education Act.

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. 2595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2595, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Slom).

SCRep. 2228 Human Services on S.B. No. 2940

The purpose and intent of this measure is to appropriate funds as a grant to the Kalihi YMCA, Parents and Children Together, and the Susannah Wesley Community Center to support youth services.

Your Committee received testimony in support of this measure from the Kalihi YMCA, Parents and Children Together, the Susannah Wesley Community Center, and one individual.

Your Committee finds that the lack of afterschool programs adversely affects middle school students the most and may be a contributing factor to negative and anti-social behavior. Youth in Kalihi face many issues and needs and continue to be at risk for academic and behavior-related problems. Your Committee also finds that the Kalihi YMCA, Parents and Children Together, and the Susannah Wesley Community Center are in the unique position to collaborate to ensure the provision of quality community-based afterschool programs. Your Committee further finds that with the elimination of Temporary Assistance for Needy Families program funds coupled with other cuts in state funding for youth services in Kalihi, funding is inadequate to provide the quality, comprehensive services this community needs.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2940 and recommends that 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. 2229 Human Services on S.B. No. 2796

The purpose and intent of this measure is to:

- (1) Make permanent the payment of a reduced lump-sum death benefit by the Department of Human Services for certain deceased medical and financial assistance recipients; and
- (2) Establish that the Department of Human Services may bear the cost for crematory and mortuary services for unclaimed dead human bodies upon a determination by the Department that a human dead body is unclaimed.

Your Committee received testimony in support of this measure from the Department of Human Services. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that pursuant to part II of Act 205, Session Laws of Hawaii 2010, the Department of Human Services is authorized to pay a lump-sum death benefit for a deceased medical and financial assistance recipient in a reduced amount, equal to the Social Security Administration's one-time lump-sum death benefit of \$255 if the recipient is ineligible for the Social Security Administration's lump-sum death benefit. Savings from this change in the death benefit was approximately \$306,000 last year. Your Committee also finds that Act 205, Session Laws of Hawaii 2010, has a repeal date of June 30, 2012. This measure makes the reduced death benefit amount permanent, enabling the Department to realize necessary cost savings.

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. 2796 and recommends that 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. 2230 Human Services on S.B. No. 2801

The purpose and intent of this measure is to allow the Department of Human Services to conduct adult abuse perpetrator checks on providers, license exempt pursuant to section 346-152, Hawaii Revised Statutes, who care for children receiving child care subsidies from the department, applicants who want to operate a child care facility, prospective employees of the applicant, licensed child care providers, and new employees of the registered or licensed provider.

Your Committee received testimony in support of this measure from the Department of Human Services and the Hawaii Association for the Education of Young Children.

Your Committee finds that the Department of Human Services is responsible for ensuring the safety and health of children in regulated settings such as licensed child care centers and for child care providers who care for children that receive child care subsidies from the Department. This measure will allow the Department to conduct a more thorough check on the character of the individuals who are working directly with children in licensed and legally exempt settings by identifying individuals who have a history of maltreatment of vulnerable individuals.

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. 2801 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. 2231 Human Services on S.B. No. 2810

The purpose and intent of this measure is to amend the definition of "employment" in the workers' compensation, temporary disability insurance, and prepaid health care statutes by clarifying the domestic services exclusion for services authorized by the Department of Human Services.

Your Committee received testimony in support of this measure from the Department of Human Services and two individuals.

Your Committee finds that sections 386-1, 392-5, and 393-5, Hawaii Revised Statutes, exempt developmentally and intellectually disabled recipients of social service payments from providing workers' compensation, temporary disability insurance, and prepaid health care. This measure will provide further clarification and consistency by also exempting the Department of Human Services, aged and disabled recipients of home and community-based services, and recipients of state-funded home and community-based services, from having to provide workers' compensation, temporary disability insurance, and prepaid health care due to the provision of these 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. 2810 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. 2232 Human Services on S.B. No. 3046

The purpose and intent of this measure is to require the Department of Human Services to comply with the federal Child Abuse Prevention and Treatment Act of 2010.

Your Committee received testimony in support of this measure from Blueprint for Change and Family Programs Hawai'i. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that codifying a mandate for the Department of Human Services to comply with the Child Abuse Prevention and Treatment Act of 2010 will help ensure that the Department receives adequate funding to fulfill the requirements and conditions for federal assistance pursuant to the Child Abuse Prevention and Treatment Act of 2010.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3046 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. 2233 Human Services on S.B. No. 2813

The purpose and intent of this measure is to amend the purpose of the disability and communication access board special fund to allow for the receipt of monies collected as continuing education units for the credentialing of interpreters.

Your Committee received testimony in support of this measure from the Disability and Communication Access Board and two individuals.

Your Committee finds that with the decline of available general funds, the Disability and Communication Access Board is exploring other options for revenue generation. This measure will broaden the funding sources for the Disability and Communication Access Board Special Fund, giving the Board the potential to generate more revenue to defray costs of administering 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. 2813 and recommends that 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. 2234 (Joint) Health and Energy and Environment on S.B. No. 3006

The purpose and intent of this measure is to reestablish the \$1 motor vehicle tire surcharge to assist the Department of Health in its permitting, monitoring, and enforcement activities regarding used tire management, collection, recycling, and disposal and to require the surcharge to be paid within ninety days after the importer receives the tires.

Your Committees received testimony in support of this measure from the Department of Health, Department of Environmental Services of the City and County of Honolulu, and one individual. Your Committees received comments on this measure from the Hawaii Automobile Dealers Association and one individual.

Your Committees find that though the tire surcharge established in 2000 was helpful to fund an initial cleanup of used tires, without adequate monitoring and enforcement, the tires merely piled up once more.

Your Committees have amended this measure by:

- (1) Deleting the language establishing the \$1 motor vehicle tire surcharge;
- (2) Inserting language to establish a task force that shall study ways to control or prevent the problem of abandoned tires; and
- (3) Changing the effective date from July 1, 2012, to upon approval.

As affirmed by the records of votes of the members of your Committees on Health and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3006, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3006, 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 (English, Nishihara, Wakai, Slom).

SCRep. 2235 Health on S.B. No. 2826

The purpose and intent of this measure is to provide pharmacists with immunity from liability while performing volunteer medical assistance services.

Your Committee received testimony in support of this measure from the Department of Health, Catholic Charities Hawaii, and The Queen's Health Systems.

Your Committee finds that the lack of coverage for professional liability may discourage valuable medical professionals, such as pharmacists, from participating as volunteers of the State, thereby limiting the ability of the State to draw upon pharmacists' skills as a critical public health resource.

Your Committee has amended this measure by inserting an effective date of January 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. 2826, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2826, 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 (Shimabukuro, Wakai, Slom).

SCRep. 2236 (Joint) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 2748

The purpose and intent of this measure is to:

- (1) Require holders of unclaimed property to remit all property with their November 1 abandoned property report;
- (2) Specify the percentage professional locators are allowed to charge for their services; and
- (3) Correct a reference to the unclaimed property trust fund.

Your Committees received testimony in support of this measure from the Department of Budget and Finance.

Your Committees find that this measure will make Hawaii's law consistent with other states' laws by requiring the reporting and remittance of all unclaimed property at the same time. This measure also proposes to establish a maximum ten percent fee structure for professional unclaimed property locators and clarify a reference to the unclaimed property trust fund.

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. 2748 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 (Slom). Noes, none. Excused, 4 (Galuteria, Green, Ihara, Nishihara).

SCRep. 2237 (Joint) Health and Commerce and Consumer Protection on S.B. No. 2473

The purpose and intent of this measure is to prohibit the sale, distribution, or procurement of products or packaging containing certain toxic chemicals and to establish for the Hawaii Health Systems Corporation a preference for the procurement of polyvinyl chloride-free intravenous products.

Your Committees received testimony in support of this measure from the Department of Health. Your Committees received testimony in opposition to this measure from the American Chemistry Council and the Toy Industry Association. Your Committees received comments on this measure from the State Procurement Office.

Your Committees find that it is in the best interests of the State and the health of the State's residents to utilize intravenous products that do not contain polyvinyl chloride, as doing so runs the risk of chemicals leaching into a patient's blood stream and the absorption of medication by polyvinyl chloride bags.

Your Committees have amended this measure by:

- (1) Removing parts I and II, regarding the restriction and prohibition of products or packaging that use certain chemicals;
- (2) Deleting the severability and savings clauses; 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 are in accord with the intent and purpose of S.B. No. 2473, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2473, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Galuteria, Solomon, Wakai, Slom).

SCRep. 2238 Commerce and Consumer Protection on S.B. No. 2769

The purpose and intent of this measure is to require the Insurance Commissioner to annually publish a list of homeowners insurers and premium information and to permit the Insurance Commissioner to set interim rates upon the disapproval of insurance rate filings for property and casualty insurance.

Your Committee received testimony in support of this measure from the Insurance Division of the Department of Commerce and Consumer Affairs. Your Committee received testimony in opposition to this measure from the Hawaii Insurers Council, American Insurance Association, and Property Casualty Insurers Association of America. Your Committee received comments on this measure from State Farm Insurance Companies.

Your Committee finds that publication of premium information enables consumers to compare insurance rates. Your Committee further finds that making homeowners insurance information more accessible would assist Hawaii consumers make informed decisions when purchasing homeowners insurance. Your Committee understands that there are cost concerns associated with requiring publication in a newspaper of general circulation in the State. Your Committee therefore finds that an alternative method of publication, particularly in electronic format, is preferable.

Your Committee has heard the concerns regarding the provisions in this measure that would permit the Insurance Commissioner to establish interim insurance rates after disapproval of a rate filing. Concerns were raised that unilateral rate impositions would violate an insurer's due process rights and that temporary interim rates would be costly and impractical for insurance carriers to comply with.

Your Committee concludes that the Insurance Commissioner should have the authority to intervene if rates are deemed excessive, inadequate, or unfairly discriminatory, but recognizes the need for a notice and hearing process.

Your Committee has amended this measure by:

- (1) Requiring the Insurance Commissioner to publish a list of homeowners insurers and homeowners insurance annual premiums on the Insurance Division's official website, rather than in a newspaper of general circulation in the State;
- (2) Requiring all motor vehicle insurers to provide motor vehicle insurance premium information to the Insurance Commissioner within thirty days of the request;
- (3) Specifying that the Insurance Commissioner shall publish a list of all motor vehicle insurers with representative annual premiums by electronic or online publication on the Insurance Division's official website, rather than in a newspaper of general circulation in the State;
- (4) Allowing the Insurance Commissioner to intervene to adjust insurance rates if the Insurance Commissioner finds that the rates are excessive, inadequate, or unfairly discriminatory;
- (5) Requiring the Insurance Commissioner to issue a written notice of disapproval of a filed rate to an insurer;
- (6) Permitting an insurer who has received written notice of disapproval to file a written request to the Insurance Commissioner for a hearing and specifying procedures for the hearing;
- (7) Clarifying that the Insurance Commissioner's disapproval of a rate filing must be based on actuarial, statutory, factual, and legal bases;
- (8) Deleting the language that would have permitted the Insurance Commissioner to establish interim rate filings whenever the Commissioner issues a written notice of disapproval of a filing; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the amendments requiring motor vehicle insurers to provide premium information to the Insurance Commissioner upon request and requiring the Insurance Commissioner to publish motor vehicle insurers and rates on the Insurance Division's official website is a proactive measure on behalf of the Commissioner. Your Committee finds that it is in the public interest to have motor vehicle insurance and homeowners insurance information available and accessible in the same location.

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. 2769, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2769, 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. 2239 Human Services on S.B. No. 2779

The purpose and intent of this measure is to establish aging and disability resource centers in each county to streamline access to long-term supports and services for older adults, persons with disabilities, and family caregivers.

Your Committee received testimony in support of this measure from the Executive Office on Aging of the Department of Health; State Council on Developmental Disabilities; the Disability and Communication Access Board; the Office of Aging, County of Hawai'i; the Department of Community Services, City and County of Honolulu; the Kauai County Agency on Elderly Affairs; the Maui County Office on Aging, Department of Housing and Human Concerns, County of Maui; AARP; the Healthcare Association of Hawaii; the Kewalo Hawaiian Homestead Community Association; the Policy Advisory Board for Elder Affairs; and one individual.

Your Committee finds that the four county area agencies on aging, and the home and community-based services strategies have developed a five-year plan to implement three initiatives: (1) a statewide Aging and Disability Resource Center effort that will meet the United States Department of Health and Human Services Administration on Aging's criteria for a fully functioning Aging and Disability Resource Center; (2) the Community Living Program; and (3) the person-centered Hospital Discharge Planning initiative. This measure will assist the Executive Office on Aging and the area agencies on aging in implementing the five-year plan.

Your Committee further finds that the definition of "developmental disability" is not in accordance with the definition in the Developmental Disability Assistance and Bill of Rights Act of 2000, P.L. 106-402, and the definition of "intellectual disability" is not in accordance with the definition used by the American Association on Intellectual and Developmental Disabilities.

Your Committee has amended this measure by:

- (1) Amending the definitions of "aging and disability resource centers", "area agency on aging", "dementia", "developmental disability", "options counseling", and "intellectual disability";
- (2) Adding kupuna care to the list of federal, state, and county revenue-funded programs and services for which persons may access information through an aging and disability resource center;
- (3) Requiring the Executive Office on Aging, rather than the area agencies on aging, to coordinate the implementation of the statewide Aging and Disability Resource Center;

- (4) Requiring the Aging and Disability Resource Centers to be a function of each area agency on aging within the respective geographic service areas;
- (5) Inserting an appropriation amount of \$1,400,000 and changing the fiscal year of the appropriation to fiscal year 2012-2013;
- (6) Changing the expending agency for the appropriation from the Executive Office on Aging to the Department of Health;
- (7) Changing the effective date to July 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2779, 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. 2240 (Joint) Human Services and Health on S.B. No. 2319

The purpose and intent of this measure is to:

- (1) Appropriate funds to the Homeless Programs Office of the Department of Human Services and the rental housing trust fund;
- (2) Appropriate funds to the Department of Health for substance abuse treatment, mental health support services, and clean and sober housing services; and
- (3) Appropriate funds to the Department of Human Services for a homeless prevention program, rental assistance program, and matching funds for shelter plus care grants.

Your Committees received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation of the Department of Business, Economic Development, and Tourism; the Department of Health; Catholic Charities Hawai'i; the Hawai'i Association of Realtors; the Hawaii Catholic Conference; the Hawaii Disability Rights Center; the Hawaii Island Community Development corporation; the Kaua'i Community Alliance; National Alliance on Mental Illness; Partners in Care; and three individuals. Your Committees received comments on this measure from the Department of Human Services and the Office of Hawaiian Affairs.

Your Committees find that homelessness is a complex issue that requires continuous resources and coordinated efforts at all levels. Providing funding to various homeless and housing programs will assist individuals facing or experiencing homelessness.

Your Committees note that funding homeless programs through the rental housing trust fund will cause a net drain on affordable housing resources in the State of Hawaii because these homeless programs will not replenish the fund. Therefore, your Committees urge the Committee on Ways and Means to consider other, more appropriate funding sources to fund programs providing services to the homeless and homeless shelters.

Your Committees further note that in transitional shelters, homeless families cannot afford market rent and are forced to turn to public housing as their only option. Funding for a rental assistance program, also known as a shallow rent subsidies program, would provide a new and critical option to expedite the transition of homeless families into permanent housing.

Your Committees have amended this measure by:

- (1) Inserting an appropriation amount of:
 - (A) \$200,000 to assist homeless and at-risk homeless individuals and families with housing placement, health, education, employment, and other support services that is to be expended by the Department of Human Services;
 - (B) \$15,000,000 for the rental housing trust fund that is to be expended by the Hawaii Housing Finance and Development Corporation;
 - (C) \$2,990,300 for substance abuse treatment and mental health support services for individuals who are homeless or at risk of becoming homeless that is to be expended by the Department of Health;
 - (D) \$3,831,300 for clean and sober housing support services that is to be expended by the Department of Health;
 - (E) \$2,000,000 for a homeless prevention program, for short-term assistance to prevent homelessness and obtain or retain permanent housing that is to be expended by the Department of Human Services;
 - (F) \$1,500,000 for a rental assistance program, also known as a shallow subsidy program, that is to be expended by the Department of Human Services; and
 - (G) \$200,000 to provide matching funds for shelter plus care grants that is to be expended by the Department of Human Services; and
- (2) Changing the effective date to July 1, 2050, to ensure 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. 2319, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2319, 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, Wakai, Slom).

SCRep. 2241 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on S.B. No. 2506

The purpose and intent of this measure is to:

- (1) Consolidate the driver's license and civil identification programs for the State of Hawaii under the Director of Transportation by January 1, 2013; and
- (2) Allow county examiners of drivers and county employees to issue civil identification cards at the same locations where driver's licenses are issued.

Your Committees received testimony in support of this measure from the Department of Transportation, State Attorney General, Honolulu Licensing Administrator, and one individual. Testimony in opposition to this measure was received from one individual. Comments were received from the Department of Human Resources Development.

Your Committees find that the United States Congress enacted the REAL ID Act of 2005, P.L. 109-13. The REAL ID Act sets forth in title II, specifically sections 201 and 202, the kind of documentation required and procedures to be followed in issuing driver's licenses and non-driver's, or civil, identification cards. Pursuant to section 37.51 of title 6 of the Code of Federal Regulations, the REAL ID Act must be implemented by January 15, 2013. Driver's licenses and civil identification cards that do not comply with the REAL ID Act on or after January 15, 2013, will not be recognized by federal agencies, such as the Transportation Security Administration, and may not be recognized by other states.

Your Committees further find that Hawaii is unique in that the counties, under the general supervision of the Director of Transportation, have been delegated the function of implementing the state driver's license program. Under existing law, the Department of the Attorney General issues civil identification cards. It is imperative that the two functions be combined in order to comply with the REAL ID Act.

Your Committees have amended this measure by:

- (1) Adding language to transfer the balance of all unexpended or unencumbered monies in the state identification revolving fund as of the effective date of the measure to the civil identification card fee special fund on the effective date of this measure;
- (2) Inserting a standard provision for the transfer of personnel, upon the standard recommendation of the Department of Human Resources Development;
- (3) Clarifying that the rules of the Department of the Attorney General relating to the civil identification program shall remain in full force and effect until amended or replaced by the Director of Transportation; 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 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 S.B. No. 2506, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2506, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Hee, Slom).

SCRep. 2242 (Joint) Water, Land, and Housing and Transportation and International Affairs on S.B. No. 2875

The purpose and intent of this measure is to exempt all work involving submerged lands used for state commercial harbor purposes from permitting and site plan approval requirements for lands in a conservation district.

Your Committees received testimony in support of this measure from the Department of Transportation, Land Use Research Foundation of Hawaii, and Hawaii Harbor Users Group. Your Committees received testimony in opposition to this measure from the Office of Hawaiian Affairs and Historic Hawaii Foundation. Your Committees received comments on this measure from the Chamber of Commerce of Hawaii and Building Industry Association of Hawaii.

Your Committees find that the cargo system for Hawaii is dependent on the state commercial harbors system. Currently, ninety-eight percent of Hawaii's imported goods pass through the state's commercial harbors system. Thus, there can be significant detrimental impacts to the delivery of goods if harbor facilities are not maintained or capital improvement projects are not completed in a timely manner due to permit delays.

Your Committees further find that environmental protection oversight of state commercial harbors is already sufficiently provided through several authorities including the state environmental impact statements law and permit requirements by the U.S. Army Corps of Engineers, U.S. Environmental Protection Agency, and the Clean Water Act. Additional permitting and site plan approval requirements are unnecessary given these existing safeguards.

Your Committees understand the importance of timely and efficiently implementing harbor projects and do not want to create two different standards for government harbors and all other harbors.

Accordingly, your Committees have amended this measure by exempting work involving submerged lands used for any harbor purposes from the permitting and site plan approval requirements for lands in a conservation district.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2875, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2875, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

SCRep. 2243 (Joint) Water, Land, and Housing and Transportation and International Affairs on S.B. No. 2876

The purpose and intent of this measure is to:

- (1) Clarify that persons cited by the Department of Transportation for non-criminal violations may appeal the citation and penalties pursuant to administrative procedures and not directly to District Court;
- (2) Clarify that citations and violations for traffic code and other criminal statutes are issued by law enforcement officers;
- (3) Direct rates, fees, fines, and penalties received by the Department of Transportation to be deposited into the harbor special fund; and
- (4) Authorize the Department of Transportation to collect reimbursements from tenants or harbor users that violate security rules, which causes penalties to be incurred by the Department from the United States Coast Guard.

Your Committees received testimony in support of this measure from the Department of Transportation.

Your Committees find that Act 16, Session Laws of Hawaii 2009, requires the Director of Transportation to regulate certain safety and security requirements and other related activities. However, existing statutes are unclear as to whether administrative hearings can be held to allow purported violators to contest non-criminal violations of chapter 266, Hawaii Revised Statutes. Your Committees find that it is necessary to amend the law to clarify that administrative hearings may be held rather than adjudicated in court. Further clarification is also needed to ensure that the fees and fines pursuant to these violations are properly deposited into the harbor special fund.

Your Committees further find that the United States Coast Guard is authorized under federal laws to fine the Department of Transportation for violations of environmental protection and maritime transportation security. Currently, the Department is authorized to collect amounts from the commercial harbor tenant or user who caused the environmental protection violations but not for security violations. This measure will authorize the Department to collect those amounts for security violations and any costs or expenses incurred by the Department resulting from enforcement.

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 Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2876, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2876, 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, Tokuda, Slom).

SCRep. 2244 Water, Land, and Housing on S.B. No. 2305

The purpose and intent of this measure is to prohibit the taking of any amount, rather than up to one gallon per person per day, of sand and stone seaward from the shoreline, with certain exceptions.

Your Committee received testimony in support of this measure from one private individual. Your Committee received testimony in opposition to this measure from two private individuals. Your Committee received comments on this measure from the Department of Land and Natural Resources who has no opposition to the measure and one private individual.

Your Committee finds that coastal erosion is a natural occurrence and is cyclical like many other processes in nature. However, because we are an island state that is economically dependent on tourism, it is necessary to be vigilant in protecting our natural resources, such as our beaches. It is important for us to consider the consequences of our actions and restrict the taking of sand and other marine deposits from our precious coastal areas.

Your Committee also finds that sand is a resource that has many uses, such as being mixed into concrete, filling sandbags to stave off floods, or for cultural practices, which are beneficial to our economy, public safety, and traditional values.

Accordingly, your Committee has amended this measure by:

- (1) Adding exceptions for response to public emergencies or state or local disasters, and for the exercise of traditional cultural practices; 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. 2305, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2305, 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. 2245 Water, Land, and Housing on S.B. No. 2360

The purpose and intent of this measure is to require the Hawaii Community Development Authority to determine the costs and benefits of selling and purchasing certain properties within the Kakaako Community Development District and report its findings to the Legislature.

Your Committee received comments on this measure from the Hawaii Community Development Authority.

Your Committee finds that the Hawaii Community Development Authority is able to purchase and hold title to lands subject to availability of funding without any legislative action. However, legislative approval is required prior to any sale of land owned or under the control of the State.

Your Committee also finds that situations within the district have arisen where it may have been profitable or beneficial to the Authority to expedite real property transactions. These situations include the sale of a reserved housing unit purchased under a buyback option and the sale of a parcel that is not contiguous to other state lands and has no public facility value, and where the sale might allow for other beneficial economic development similar situations may occur in the future, and your Committee finds it necessary to be informed of the costs and benefits of the selling and purchasing of various properties within the district.

In order to be fully prepared for such situations in a timely manner, your Committee has amended this measure by:

- (1) Amending section 206E-31.5, Hawaii Revised Statutes, to prohibit the sale of makai lands in the Kakaako Community Development District;
- (2) Excluding makai lands from the Authority's analysis of costs and benefits of selling and purchasing certain properties; and
- (3) Requiring the Authority's report to be submitted to the Legislature no later than 90 days after the measure's effective date.

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. 2360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2360, 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. 2246 (Joint) Water, Land, and Housing and Agriculture on S.B. No. 3011

The purpose and intent of this measure is to require the Department of Land and Natural Resources to transfer title to all lands under its jurisdiction that are within an agricultural land use district to the Agribusiness Development Corporation by January 1, 2013, excluding lands that are being used by the Department for its offices or other administrative purposes.

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 Department of Land and Natural Resources, Department of Agriculture, Agribusiness Development Corporation, and two private individuals.

Your Committees find that the Agribusiness Development Corporation was created as a rapid response agency to stabilize deteriorating plantation water systems and vacant plantation lands and transition these lands and infrastructure into use for diversified agriculture. It was designed to be entrepreneurial in practice, with exemptions to quickly put diversified farmers onto land and settle issues related to the difficult and complex transition process. Your Committees therefore find that the Agribusiness Development Corporation is a more appropriate agency, as it is more familiar with the agriculture industry, to manage public lands within the agricultural land use district that are currently managed by the Department of Land and Natural Resources.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the language that transferred title to all public lands under the jurisdiction of the Department of Land and Natural Resources and within an agricultural land use district to the Agribusiness Development Corporation;
- (2) Adding language that requires the Department of Land and Natural Resources to transfer the parcels of land identified by tax map key numbers (9)4-0-12:001, (9)4-0-12:002, and (9)4-0-12:003 to the Agribusiness Development Corporation no later than January 1, 2013;
- (3) Adding language to make the necessary transfers of rights, powers, functions, duties, and references to the Agribusiness Development Corporation; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

However, your Committees are concerned about the broadness of the language and find that only certain parcels should be transferred.

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. 3011, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3011, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Chun Oakland, Fukunaga, Tokuda).

SCRep. 2247 (Joint) Commerce and Consumer Protection and Economic Development and Technology on S.B. No. 2504

The purpose and intent of this measure is to:

- (1) Require pet sellers to implant an identification microchip in a dog or cat prior to sale or exchange and provide written documentation on each dog or cat sold; and

- (2) Prohibit pet sellers from selling an unsterilized dog or unsterilized cat.

Your Committees received testimony in support of this measure from the Humane Society of the United States, Hawaiian Humane Society, West Hawaiian Humane Society, CatFriends, Boxer Club of Hawaii, Hui Pono Holoholona, and twenty individuals. Your Committees received testimony in opposition to this measure from the American Kennel Club; American Herding Breed Association; King Street Pet Hospital; Hawaii Hulacat Club; Dachshund Club of Hawaii; Golden Retriever Club of Hawaii; Terriers in Paradise-Hawaii, Inc.; The Pet Depot; The Pet Hale; Pupukeya Ridgebacks; Leeward Training Club of Hawaii; Southern California Alaskan Malamute Club; Wolfpak Dobermans; Kona Coast Kennel Club; Labrador Retriever Club of Hawaii; Aloha Cat Fanciers; Hawaiian Chinese Shar-Pei Club; Hawaiian Kennel Club; United State Working Dog Foundation; and one hundred and ninety individuals. Your Committees received comments on this measure from Poi Dogs and Popoki and one individual.

Your Committees find that the amendments proposed by this measure attempt to better protect Hawaii's animals and consumers. This measure requires implantation of an identification microchip in a dog or cat prior to sale and sterilization of a dog or cat prior to sale. This measure also requires pet sellers to provide essential history and medical information to purchasers, animal care, and animal control agencies.

Your Committees have heard the concerns about the prohibition on the sale of unsterilized dogs and cats. Concerns were raised that this prohibition would limit the ability of Hawaii residents to obtain future generations of pets, would limit breeders' abilities to introduce new bloodlines, and would limit the healthy expansion of gene pools for purebred dogs and cats. Your Committees understand these concerns but note that this measure was not intended to target responsible breeders. However, your Committees conclude that amendments, including exempting breeders from the requirements of this measure, are necessary.

Your Committees have amended this measure by:

- (1) Amending the definition of "pet seller" to apply only to retail pet stores or those who sell dogs or cats to a retail pet store;
- (2) Adding a definition of "public place", as that term is defined in section 711-1100, Hawaii Revised Statutes;
- (3) Amending the definition of "retail pet store" to clarify that the term shall not apply to humane societies, animal control, rescue, or care organizations, or retail pet stores acting in cooperation with these organizations;
- (4) Deleting the definitions of "unsterilized cat" and "unsterilized dog";
- (5) Clarifying the microchip requirements for dogs or cats prior to sale or exchange at a retail pet store;
- (6) Requiring a retail pet store to collect the appropriate county dog licensing form and fees from a purchaser of a dog, and to submit the form and fees to the appropriate county;
- (7) Clarifying that pet sellers must deliver certain information relating to the health of a dog or cat to a retail pet store, and clarifying that retail pet stores must deliver certain information relating to the health of a dog or cat to a purchaser;
- (8) Requiring retail pet stores to provide a purchaser with written information on the health and other benefits of spaying and neutering;
- (9) Clarifying that a retail pet store, but not a pet seller, shall make certain documents available for inspection to county humane officers, animal control officers, or law enforcement officers during normal business hours;
- (10) Deleting language that would have prohibited the sale of an unsterilized dog or unsterilized cat by a pet seller;
- (11) Adding language that prohibits the sale, exchange, gifting, display for commercial purposes, or trading of any dog or cat in any public place, but exempting certain organizations who facilitate the adoption of animals;
- (12) Amending the penalty provision from a petty misdemeanor to a fine of \$500 per violation;
- (13) Inserting an effective date of January 2, 2050, to allow for further discussion; and
- (14) 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 Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2504, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2504, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 8, Ayes with Reservations (Solomon, Taniguchi, Slom). Noes, none. Excused, 1 (Galuteria).

SCRep. 2248 Human Services on S.B. No. 2178

The purpose and intent of this measure is to increase the asset limit for Temporary Assistance for Needy Families program eligibility from \$5,000 to \$15,000.

Your Committee received testimony in support of this measure from the Hawai'i Alliance for Community-Based Economic Development; the Office of Hawaiian Affairs; the University of Hawai'i's Bridge to Hope; and the Women's Caucus, Democratic Party of Hawai'i. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that raising or eliminating the public benefit program asset limit is part of a broader asset building agenda that seeks to foster financial independence and self-sufficiency for Hawai'i's families. Your Committee further finds that a change in the asset limit may affect all public assistance programs that the Department of Human Services administers.

Your Committee has therefore amended this measure by:

- (1) Requiring the Department of Human Services to conduct a study on asset limits for public assistance programs that includes:
 - (A) An evaluation of the current asset limits;
 - (B) Promising practices, policies, and trends; and
 - (C) The effects of changing the asset limit on the Supplemental Nutritional Assistance Program, Temporary Assistance for Needy Families program, Temporary Assistance to Other Needy Families program, and Med-QUEST program;
- (2) Requiring the Department of Human Services to report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013; 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. 2178, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2178, S.D. 1, and be 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. 2249 Human Services on S.B. No. 2466

The purpose and intent of this measure is to establish the nursing facility sustainability program, including a nursing sustainability fee and special fund in which nursing sustainability fees shall be deposited.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation, the Healthcare Association of Hawaii, and three individuals. Your Committee received testimony in opposition to this measure from Palolo Chinese Home. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that provider fee programs are used as a means of drawing down additional federal funds to sustain state Medicaid programs. Currently, program fees are used in forty-six states and the District of Columbia. Hawaii is one of only four states without such a program, despite the rising state budget deficit due to increasing health care costs and expanding Medicaid rolls.

Your Committee notes that the Department of Budget and Finance does not support the creation of special funds that do not meet the requirements of section 37-52.3, Hawaii Revised Statutes, which are that the special fund must:

- (1) Serve the purpose for which it was originally established;
- (2) Reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program;
- (3) Provide an appropriate means of financing for the program or activity; and
- (4) Demonstrate the capacity to be financially self-sustaining.

As this measure is currently drafted, it is difficult to determine whether there is a clear nexus between the nursing facilities that are assessed fees and the nursing facilities that receive increased Medicaid payments, and it does not appear that the special fund will be self-sustaining.

Your Committee further notes that according to the Healthcare Association of Hawaii's testimony, the model for the nursing sustainability program is still being developed because the data required to design it is still being gathered. Therefore, additional amendments may be required as this measure progresses through the legislative process.

Your Committee has amended this measure by:

- (1) Adding the definitions of "continuing care retirement community";
- (2) Exempting continuing care retirement communities from the nursing sustainability fee subject to federal approval under title 42 Code of Federal Regulations section 433.68(e)(2);
- (3) Rescheduling the fee payment to a monthly basis rather than a quarterly basis;
- (4) Providing specific examples of Centers for Medicare and Medicaid Services' approvals that may be needed;
- (5) Including the Healthcare Association of Hawaii and the Hawaii Long Term Care Association as entities that will certify that the revenues received by the Department of Human Services from the QUEST and QUEST Expanded Access Plans are used exclusively for increasing nursing facility reimbursements to support the availability of services and to ensure access to care to QUEST and QUEST Expanded Access enrollees;
- (6) Correcting an incorrect reference to inpatient use;
- (7) Authorizing the State to modify the categories of exempt facilities and the rate adjustment provisions if needed for Centers for Medicare and Medicaid Services' approval;
- (8) Inserting an effective date of July 1, 2050, to ensure further discussion;
- (9) Deleting the repeal date of June 30, 2013; and
- (10) Making 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. 2466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2466, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Slom).

SCRep. 2250 Tourism on S.B. No. 490

The purpose and intent of this measure is to:

- (1) Increase the allocation of the transient accommodations tax revenue for the Hawaii Tourism Authority from \$69,000,000 to \$71,000,000 until June 30, 2015; and
- (2) Require \$2,000,000 to be expended for development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority, Airlines Committee of Hawaii, Kohala Coast Resort Association, Outrigger Hotels Hawaii, Starwood Vacation Ownership, and ILWU Local 142. Your Committee received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee finds that in the first quarter of this year, air seats to Hawaii are expected to rise 3.8 percent, fueled in part by capacity increases from the Japan, China, and South Korea markets. Coupled with the recent federal executive order to expand visa and travel initiatives, this offers an unprecedented opportunity for Hawaii's tourism industry. Your Committee is in strong support of this measure to provide the Hawaii Tourism Authority with funding to take advantage of the expanded options for tourism growth.

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 Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 490, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 490, 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, none.

SCRep. 2251 Human Services on S.B. No. 3060

The purpose and intent of this measure is to make it unlawful for persons convicted of certain sexual offenses committed against a child twelve years of age or younger to reside within seven hundred fifty feet of any school building or any real property comprising a school.

Your Committee received testimony in support of this measure from the Pali View Baptist Church and three individuals. Your Committee received testimony in opposition to this measure from the American Civil Liberties Union of Hawaii.

Your Committee finds that children and families expect schools and properties comprising schools to be safe and nurturing environments. In line with this expectation, this measure will prohibit persons convicted of sexual offenses against a child twelve years of age or younger from residing within close proximity of any school building or any real property comprising a school.

However, your Committee also finds that there are studies that deem residency restrictions ineffective and indicate that residency restrictions could possibly increase the threat that registered sexual offenders may pose on public safety.

Your Committee notes that the distance of seven hundred and fifty feet from a school building or any real property comprising a school described in the measure, as is currently drafted, may make it difficult for any persons convicted of sexual offenses to reside in Hawaii.

Your Committee has amended this measure by:

- (1) Deleting the 750-foot distance requirement for residency and leaving it unspecified;
- (2) Changing the effective date to July 1, 2050, to ensure further discussion; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3060, 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. 2252 Health on S.B. No. 2091

The purpose and intent of this measure is to increase the maximum membership of the Prepaid Health Care Advisory Council to nine members and include representatives of health care organizations on the Prepaid Health Care Advisory Council to provide their perspectives regarding health plan benefits.

Your Committee received testimony in support of this measure from the Hawaii Medical Association, The Queen's Health Systems, Health Care Association of Hawaii, and one individual.

Your Committee finds that including representation from health care organizations would give the Prepaid Health Care Advisory Council valuable perspectives on the design of health plan benefits. Members representing health care organizations may add the expertise needed to create value-based insurance benefits that could improve the prevention and treatment of chronic diseases and ultimately reduce Hawaii's health care costs.

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. 2091 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 2253 Health on S.B. No. 2100

The purpose and intent of this measure is to amend the offense of assault in the second degree to include intentionally or knowingly causing bodily injury to certain medical services providers.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii; Pali Momi Medical Center; American Organization of Nurse Executives, Hawaii Chapter; The Queen's Health Systems; and the Hawaii Chapter, American Physical Therapy Association.

Your Committee finds that a broader range of medical services providers deserve the same statutory protection provided under this measure to emergency medical services providers and that protecting the providers who deliver much-needed care and services is paramount to the well-being of the people of the State.

Your Committee has amended this measure by including intentionally or knowingly causing bodily injury to medical services staff who provide services in a dentist's office, home care agency, home health agency, hospice, long-term care facility, or physician's office under the offense of assault in the second degree.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2100, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 2254 Health on S.B. No. 2101

The purpose and intent of this measure is to make permanent the state general excise tax exemption for the amounts received by a managed care support contractor of the TRICARE program for the actual cost or advancement to third party health care providers, pursuant to a contract with the United States for the administration of the TRICARE program.

Your Committee received testimony in support of this measure from the Department of Taxation; Military Officers Association of America, Hawaii Chapter; Chamber of Commerce of Hawaii; TriWest Healthcare Alliance Inc.; and HMSA.

Your Committee finds that this exemption will support the continued availability, accessibility, and strength of the TRICARE program for the many current and former military personnel as well as their families.

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. 2101 and recommends that 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 (Slom).

SCRep. 2255 Health on S.B. No. 2578

The purpose and intent of this measure is to require informed consent in certain circumstances before performing pelvic examinations for training purposes on anesthetized or unconscious female patients.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Hawaii State Democratic Women's Caucus, University of Hawaii John A. Burns School of Medicine, American Civil Liberties Union of Hawaii, and four individuals. Your Committee received comments on this measure from the Hawaii Medical Board.

Your Committee finds that the University of Hawaii John A. Burns School of Medicine's Department of Obstetrics, Gynecology, and Women's Health has a policy of consent currently in place regarding pelvic examinations under anesthesia. Your Committee further finds that permitting the John A. Burns School of Medicine to receive consent either verbally or in written form will allow for the most flexibility for the medical students and their patients. Your Committee would also like to note that this issue was raised by a student of the John A. Burns School of Medicine who was concerned with the state of practice regarding pelvic examinations on anesthetized or unconscious women.

Your Committee has amended this measure by:

- (1) Deleting the statement that asserts that medical students often perform pelvic examinations for training purposes on anesthetized or unconscious female patients without first obtaining the patients' informed consent;
- (2) Allowing for either verbal or written informed consent for the pelvic examination; 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. 2578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2578, 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 (Slom).

SCRep. 2256 Health on S.B. No. 2035

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds of up to \$3,000,000 for Wahiawa General Hospital to construct health care facilities.

Your Committee received testimony in support of this measure from the United Public Workers (AFSCME Local 646, AFL-CIO), the Healthcare Association of Hawaii, and one individual.

Your Committee finds that the closure of the Hawaii Medical Center facilities has resulted in the severe impairment of health care services in the State and that the funds provided through special purpose revenue bonds to Wahiawa General Hospital would allow for the expansion of facilities and for the provision of additional medical services for neighboring communities.

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. 2035 and recommends that 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 (Slom).

SCRep. 2257 Health on S.B. No. 2103

The purpose and intent of this measure is to clarify that registered nurses are required to use reasonable judgment in carrying out the orders of a physician that are delivered through a physician assistant acting as an agent of the supervising physician.

Your Committee received testimony in support of this measure from the Board of Nursing, Hawaii State Center for Nursing, Hawaii Academy of Physician Assistants, the Puna Community Medical Center, Hawaii Medical Association, and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Association of Professional Nurses and two individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that physician assistants do not just deliver the orders of a physician. Rather, physician assistants are licensed to order diagnostic and therapeutic procedures and write orders for medications per the physician-approved preauthorized practice agreement within their scope of practice. This measure allows physician assistants to provide valuable medical care to the full extent of their practice and under physician supervision.

Your Committee has amended this measure by:

- (1) Amending the definition of "the practice of nursing as a registered nurse" to authorize nurses to carry out orders of a licensed physician assistant who is practicing with physician supervision pursuant to chapter 453, Hawaii Revised Statutes, and acting as an agent of the supervising physician, rather than the orders of a physician delivered through a physician assistant; 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. 2103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2103, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 2258 (Joint) Health and Human Services and Judiciary and Labor on S.B. No. 2126

The purpose and intent of this measure is to consolidate the authority, duties, responsibilities, and jurisdiction of the Department of Human Services and the Department of Health, as they relate to various health care services and to transfer the programs of the Department of Human Services relating to home and community-based case management, community care foster family homes, and adult day care to the Department of Health.

Your Committees received testimony in support of this measure from the Policy Advisory Board for Elder Affairs and two individuals. Your Committees received testimony in opposition to this measure from the Filipino Chamber of Commerce of Hawaii. Your Committees received comments on this measure from the Department of Health, Department of Human Resources Development, and the Case Management Council.

Your Committees find that the Department of Health has an established Office of Health Care Assurance that manages state licensing and federal certification of medical and health care facilities, agencies, and services provided throughout the State to ensure compliance with established standards of care. Given the Office's existing functions, your Committees find that similar health care services currently provided by the Department of Human Services and the Department of Health should be consolidated under the jurisdiction of the Office of Health Care Assurance to improve the efficiency, capacity, and quality of state health care services.

Your Committees have amended this measure by:

- (1) Adding an appropriation for the Department of Health to perform the duties and services that are not sufficiently funded by the funds transferred from the Department of Human Services;

- (2) Adopting the Department of Human Resources Development's language, regarding the rights and benefits of the employees to be transferred to the Department of Health;
- (3) Inserting an effective date of January 1, 2050, to allow for further discussion; 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 and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2126, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2126, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Gabbard, Wakai, Slom).

SCRep. 2259 Tourism on S.B. No. 2642

The purpose and intent of this measure is to appropriate \$2,000,000 for the Hawaii Tourism Authority for fiscal year 2012-2013 for initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority; Hawaii Lodging & Tourism Association; Outrigger Hotels; AQUA Hotels and Resorts; Hyatt Regency Waikiki Beach Resort & Spa; Airlines Committee of Hawaii; Airport Concessionaires Committee; Hawaiian Airlines; ILWU Local 142; Retail Merchants of Hawaii; Enterprise Honolulu; Hawaiian Electric Company, Inc.; Oceanic Time Warner Cable; Atlantis Adventures; PHT, Inc.; Makani Kai Helicopter; Maui Classic Charters; Smith's Motor Boat Service, Inc.; Attractions Association of Hawaii; Polynesia Cultural Center; True Blue Inc.; Dragon Tours and Travel; and three individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that the Travel Promotion Act of 2009 was enacted to encourage public-private partnerships to promote international travel to the United States. The recent announcement by President Obama, and the initiatives of the federal government to make it easier for international travelers to Hawaii through improved visa processing and visa waivers, will be highly beneficial to Hawaii's tourism economy and advance efforts to provide up to an estimated 154,000 jobs.

Your Committee further finds that the \$2,000,000 appropriation in this measure would fund the development and implementation of programs to take advantage of the expanded visa programs and international travel opportunities.

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. 2642 and recommends that 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. 2260 (Joint) Health and Human Services and Judiciary and Labor on S.B. No. 2121

The purpose and intent of this measure is to:

- (1) Permit any interested person, as defined under section 334-1, Hawaii Revised Statutes, to file a written petition for emergency admission, under certain conditions;
- (2) Require an independent evaluation of a patient admitted to a licensed psychiatric facility for involuntary hospitalization in certain circumstances;
- (3) Require the Department of Health to establish and implement the crisis response pilot program, under which designated crisis responders will be authorized to conduct investigations and detain persons who are imminently dangerous to self or others or gravely disabled for up to seventy-two hours in a proper facility; and
- (4) Seek a federal Medicaid reimbursement for the maximum federal match to appropriate funds to the Department of Human Services, which shall transfer the funds to the Department of Health so that it may establish and administer the crisis response pilot program.

Your Committees received testimony in support of this measure from NAMI Hawaii, Kahi Mohala Behavioral Health, and two individuals. Your Committees received testimony in opposition to this measure from two individuals. Your Committees received comments on this measure from the Department of the Attorney General, Department of Health, Hawaii Disability Rights Center, and one individual.

Your Committees find that this measure seeks to ensure that people who need care receive care and that at the same time an individual's rights are respected.

Your Committees request that the funds that this measure proposes to appropriate for the crisis response pilot program be appropriated instead to the Department of Health.

Accordingly, your Committees have amended this measure by:

- (1) Removing part 2, which established the crisis response pilot program and appropriated funds for the pilot program;
- (2) Removing "imminently" from the term "imminently dangerous" and making conforming amendments throughout chapter 334, Hawaii Revised Statutes;

- (3) Adding language to section 334-59, Hawaii Revised Statutes, emphasizing the court's authority to appoint a guardian ad litem for individuals who receive care, at any stage of emergency admission proceedings, pursuant to section 334-82, Hawaii Revised Statutes;
- (4) Adding language to limit the persons who may file a written petition for emergency admission of an individual to persons with a clear and abiding interest in the well-being of the individual for whom care is sought, noting that the intent of this amendment is to limit involvement to persons who have knowledge of or a relationship with, but not necessarily a familial relationship, the individual for whom care is sought; and
- (5) Inserting an effective date of January 1, 2050, to allow for further discussion.

As affirmed by the records of votes of the members of your Committees on Health and 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. 2121, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2121, 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, Wakai, Slom).

SCRep. 2261 (Joint) Health and Human Services on S.B. No. 2472

The purpose and intent of this measure is to:

- (1) Define and establish "patient-centered medical homes";
- (2) Encourage licensed health care providers and patients to partner in the patient-centered medical home;
- (3) Define quality standards that will reduce disparities in health care access, delivery, and health care outcomes; and
- (4) Improve the overall quality of health care and lower the costs therein.

Your Committees received testimony in support of this measure from the Office of the Governor, AARP Hawaii, Kaiser Permanente, and two 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 Department of the Attorney General, HMSA, and Ohana Health Plan.

Your Committees find that though defining and encouraging the utilization of patient-centered medical homes are critical to providing better care for the people of the State, the State should not define the patient-centered medical home in terms that are dissimilar to federal laws so that the State remains eligible for federal assistance in promoting the patient-centered health home under the Patient Protection and Affordable Care Act.

Your Committees have amended this measure by replacing the language that established a new chapter, the Patient-Centered Medical Home Act, with language provided by the Healthcare Transformation Coordinator of the Office of the Governor, which:

- (1) Supports the implementation of the Med-Quest Patient-Centered Medical Home Initiative to allow the State to access federal support under the provisions of the Patient Protection and Affordable Care Act;
- (2) Describes the reporting duties of the Healthcare Transformation Coordinator with regard to the Med-Quest Patient-Centered Medical Home Initiative;
- (3) Appropriates funds for the Department of Human Services to implement a patient-centered medical home pilot with federal matching funds and to the Office of the Governor to support the Healthcare Transformation Coordinator and staff; 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. 2472, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2472, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 3 (Baker, Ihara, Wakai).

SCRep. 2262 Health on S.B. No. 2778

The purpose and intent of this measure is to appropriate funds in order to:

- (1) Collect and analyze Hawaii-specific early childhood overweight and obesity data to identify children at risk;
- (2) Increase awareness of the health implications of early childhood obesity;
- (3) Promote best practices through community-based initiatives to improve healthy life choices; and
- (4) Establish a task force to develop and recommend legislation related to the prevention of childhood obesity.

Your Committee received testimony in support of this measure from the Office of the Governor, Hawaii Association for the Education of Young Children, Consumer Family & Youth Alliance, and two individuals. Your Committee received comments on this measure from the American Beverage Association.

Your Committee finds that early childhood is a critical period within which to initiate preventative measures against obesity later in life.

Your Committee has amended this measure by:

- (1) Inserting additional background information in the purpose section;
- (2) Establishing a childhood obesity prevention task force; 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. 2778, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2778, S.D. 1, 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. 2263 (Joint/Majority) Health and Judiciary and Labor on H.B. No. 466

The purpose and intent of this measure is to:

- (1) Require that independent medical examinations and permanent impairment rating examinations for workers' compensation claims be performed by physicians mutually agreed upon by employers and employees or appointed by the Director of Labor and Industrial Relations; and
- (2) Appropriate funds for the hiring of staff necessary to address workers' compensation claims.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations; Hawaii State AFL-CIO; Hawaii State Chiropractic Association; International Association of Rehabilitation Professionals-Hawaii; Vocational Management Consultants, Inc.; ILWU Local 142; Law Office of David J. Mikonczyk; Hawaii Injured Workers Association, Plumbers and Fitters Union, Local 675; United Public Workers; and twenty individuals. Your Committees received testimony in opposition to this measure from Jack Harter Helicopters, Inc.; Property Casualty Insurers; NFIB Hawaii; Securitas Security USA; John Mullen & Co., Inc.; Society for Human Resource Management – Hawaii Chapter; Retail Merchants of Hawaii; Hawaii Insurers Council; Hawaii Employers' Mutual Insurance Company, Inc.; Building Industry Association of Hawaii; Hawaii Bankers Association; Independent Living of Hawaii, Inc.; North Shore Farms, LLC; and sixteen individuals. Your Committees received comments on this measure from the Department of Human Resources Development and the National Council on Compensation Insurance, Inc.

Your Committees find that it is in the best interest of the State and its residents to improve the fairness of the workers' compensation system and the care provided to workers who are injured on the job.

Your Committees have amended this measure by:

- (1) Requiring that the physician chosen by the Director of Health shall be paid for by the employer;
- (2) Requiring any physician mutually selected by the employer and employee or appointed by the Director of Health to examine the employee within forty-five, rather than thirty, calendar days or as soon as practicably possible;
- (3) Allowing for more than one employer-requested independent medical examination and one permanent impairment rating examination in cases where major surgery and elective surgery, or either, is contemplated;
- (4) Subject to the approval of the Director of Health, allowing an out-of-state licensed physician to be utilized for an out-of-state claimant or if there is no Hawaii-licensed physician in a relevant medical specialty, and a physician who resides outside the state of residence of an out-of-state claimant to be utilized if there is no physician available in a relevant medical specialty in the out-of-state claimant's state of residence;
- (5) Changing the effective date to October 1, 2012, except for section 3, which shall take effect on July 1, 2012, and changing the repeal date of the Act to June 30, 2017; 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 Health and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 466, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 466, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Slom). Excused, 3 (Ihara, Nishihara, Wakai).

SCRep. 2264 Public Safety, Government Operations, and Military Affairs on S.B. No. 2909

The purpose and intent of this measure is to limit the scope of the definition of a public safety agency, for purposes of the enhanced 911 services law, to divisions of the State or county that have the authority to provide firefighting, law enforcement, ambulance, medical, or other emergency services and private entities contracted by a state or county agency to provide these same services.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Enhanced 911 Board, Honolulu Police Department, Honolulu County Department of Information Technology, Hawaii Police Department, and one individual.

Your Committee finds that the current definition of public safety agency as a division of a governmental agency is overly broad. The intent of this measure is to clearly identify as a public service agency a division of the state or county authorized to provide firefighting, law enforcement, ambulance, medical, or other emergency services.

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. 2909 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 (Ryan, Slom).

SCRep. 2265 Public Safety, Government Operations, and Military Affairs on S.B. No. 3031

The purpose and intent of this measure is to clarify that a licensee who timely prevents or suppresses any violent, quarrelsome, disorderly, lewd, immoral, or unlawful conduct of any person on the premises is not in violation of the law on certain prohibitions on liquor licensees.

Your Committee received testimony in support of this measure from Centerplate and Hawaii Bar Owners Association. Comments were received from the Honolulu Liquor Commission.

Your Committee finds that existing law provides for an "immediate" action by the liquor licensee to prevent or suppress violent, quarrelsome, disorderly, lewd, immoral, or unlawful conduct. This measure substitutes "timely" for "immediate," which is intended to afford the licensee a more practical time period in which to address the behavior.

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. 3031 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. 2266 Public Safety, Government Operations, and Military Affairs on S.B. No. 2030

The purpose and intent of this measure is to allow, in a procurement pursuant to competitive sealed bidding, a bidder two additional days after the bid submission closing date to submit names of joint contractors or subcontractors, after which time the bids are required to be opened.

Your Committee received testimony in support of this measure from King & Neel, Inc.; Ralph S. Inouye Co Ltd; Building Industry Association; General Contractors Association of Hawaii; Grace Pacific Corporation; and S & M Sakamoto, Inc. Testimony in opposition was received from the Honolulu Budget and Fiscal Services Department; Ironworkers Stabilization Fund; Plumbing & Mechanical Contractors Association of Hawaii; Associated Builders and Contractors, Inc.; Subcontractors Association of Hawaii; and Steel Fabricators and Erectors of Hawaii.

Your Committee finds that this measure allows the bidder to ensure that all subcontractors who have submitted bids to the general contractor have met all of the requirements to perform work on state and county projects, including meeting all licensing, bonding, and insurance requirements. The additional time is necessary because in most cases the general contractor does not receive bid prices from the various subcontractors until shortly before the bid must be submitted to the state agency. This means that the general contractor does not have time to check whether the subcontractors who have submitted bids meet the requirements to work on the job, especially the proper licenses issued by the Contractors License Board.

Your Committee has amended this measure by:

- (1) Requiring that the submission of required bid information and bid corrections or amendments be submitted up to two days prior to the closing date for the submission of bids;
- (2) Deleting the provision requiring that bids be opened in accordance with existing law following the close of the two-day period after the closing date for submission of bids; 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. 2030, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2030, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ryan, Slom).

SCRep. 2267 (Joint) Public Safety, Government Operations, and Military Affairs and Human Services on S.B. No. 2071

The purpose and intent of this measure is to allow the conducting of criminal history checks by county liquor commissions on prospective liquor commission employees, and by counties on employees working with vulnerable adults or seniors; employees for fire and emergency medical services; and emergency management employees.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, the Hawaii Civil Rights Commission, the Department of Human Resources of the City and County of Honolulu, and the Department of Information Technology of the City and County of Honolulu.

Your Committees find that public trust must not be compromised when individuals are hired for positions that involve liquor investigations, emergency responses, emergency management, and community-based services. Your Committees also find that with the current influx of out-of-state individuals applying for civil service jobs in Hawaii, counties do not have an effective means of conducting a thorough background check, including reviewing prospective employees' convictions that occurred outside of the State of

Hawaii. This measure will authorize the counties to efficiently obtain criminal history record information to ensure counties are hiring individuals who are suitable to work in close proximity to children and other vulnerable citizens.

Your Committees further find that section 378-2.5(d), Hawaii Revised Statutes, exempts the counties from the following limitations:

- (1) Inquiries and consideration of conviction records for prospective employees must be made only after a conditional job offer is made; and
- (2) The employer may consider the employee's conviction record for up to the ten most recent years, excluding periods of incarceration, in the exercise of their authority to conduct criminal history record checks pursuant to section 846-2.7, Hawaii Revised Statutes.

Your Committees find that this law provides counties with an overly broad authorization to conduct criminal history record checks.

Your Committees have therefore amended this measure by:

- (1) Limiting the exemptions under 378-2.5(d), Hawaii Revised Statutes, to apply only to the conducting of criminal background checks by the counties for county employees and prospective employees working in close proximity to children in recreation or child care programs and services or involving contact with vulnerable adults, such as senior citizens and disabled citizens, or children; 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 Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2071, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2071, 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. 2268 Public Safety, Government Operations, and Military Affairs on S.B. No. 2728

The purpose and intent of this measure is to authorize officers of the Federal Bureau of Investigation and the United States Immigration and Customs Enforcement to make arrests without a warrant and repealing the authorization to officers of Citizenship and Immigration Services to make arrests without a warrant.

Your Committee received testimony in support of this measure from the State Attorney General. Testimony in opposition was received from the American Civil Liberties Union of Hawai'i and one individual.

Your Committee finds that the authorization of arrest powers under state law will allow Federal Bureau of Investigation and the United States Immigration and Customs Enforcement officers to make arrests under limited circumstances under state law, and thereby provide support to state and county law enforcement efforts. The State and county must rely on federal law enforcement cooperation and support for natural disasters, joint law enforcement task force efforts, and major or national events. This measure aligns state law with the federally granted enforcement authority of Federal Bureau of Investigation and United States Immigration and Customs officers and corrects state law regarding Citizenship and Immigration Services officers, who do not have the authority to make arrests under federal law.

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. 2728 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. 2269 Public Safety, Government Operations, and Military Affairs on S.B. No. 2731

The purpose and intent of this measure is to update the current laws on sex offender registration to address issues that have arisen in the implementation of the sex offender registration law by:

- (1) Adding comparable foreign convictions and tribal convictions to covered offenses for which registration is required;
- (2) Amending the definition of conviction to clarify that a conviction, for purposes of sex offender registration, occurs on the date judgment is entered;
- (3) Clarifying the definition of sexual offense to include certain acts that are an attempt, criminal solicitation, or criminal conspiracy to commit certain sexual offenses;
- (4) Repealing the definitions of "mental abnormality," "personality disorder," and "predatory," which are no longer used in the chapter;
- (5) Requiring offenders who are subject to sex offender registration or notification in their jurisdiction of conviction, to also register as sex offenders in Hawaii law;
- (6) Clarifying that a covered offender must register and report the offender's permanent residence or address of current temporary residence, or, if an address is not available, a description of the place or area in which the covered offender resides, whether or not a Hawaii resident, if the offender remains in the State for more than ten days or an aggregate period exceeding thirty days in one calendar year;

- (7) Clarifying that covered offenders who do not have registered residences to which the post office can deliver mail, and therefore cannot receive the ninety-day verification mailings, are required to report to any police station once per month;
- (8) Adding an element to the offense of failure to comply with covered offender registration requirements of failure to report to any police station in the State by the last day of every month for verification of registration information; and
- (9) Creating a tier classification for any covered sexual offenses that are not included within the current tier classification law.

Your Committee received testimony in support of this measure from the State Attorney General and the Kauai Prosecuting Attorney.

Your Committee finds that this measure strengthens current law to enhance the protection of the public by addressing certain deficiencies that may allow registered sex offenders to elude monitoring, as intended by the sex offender registration law.

According to testimony of the Attorney General, the title of this measure may be too narrow to include some of its provisions. Your Committee believes this measure is sufficiently important to pass out on Second Reading, although perhaps a short form bill with the proper title might be more suitable. The Attorney General should be prepared with such a bill or to amend this bill in your Committee on Judiciary and Labor.

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. 2731 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. 2270 Public Safety, Government Operations, and Military Affairs on S.B. No. 2735

The purpose and intent of this measure is to require prisoners to exhaust administrative remedies before bringing a civil court action on prison conditions.

Your Committee received testimony in support of this measure from the Department of Public Safety and State Attorney General. Testimony in opposition was received from the American Civil Liberties Union of Hawai'i, and one individual. Comments were received from the Community Alliance on Prisons.

Your Committee finds that this measure is patterned after an aspect of the Federal Prison Litigation Reform Act, which was enacted in 1996. The process under this measure is currently utilized in the federal courts.

Current practice in Hawaii allows the correctional facilities the time and opportunity to address complaints internally, through the inmate grievance system, before allowing a prisoner to initiate a state lawsuit. The administrative grievance resolution system in Hawaii's correctional facilities requires a three-step procedure, with twenty days allocated to each step.

Your Committee has received complaints from prisoners about lagging response times to complaints and inadequate administrative resolution of those complaints. Your Committee is gravely concerned that prisoner complaints are not being given prompt attention and fair resolution, whatever the merits of the complaint or the reputation of the prisoner making the complaint. Inasmuch as the administrative complaint resolution process is an internal administrative matter, your Committee wishes to make clear that it will not tolerate conditions in prisons that are unacceptable by conventional and reasonable standards.

Your Committee is also concerned about the fate of Hawaii prisoners housed in mainland correctional facilities. These contract prisons are bound by the terms of the contract when it comes to prison conditions and resolving prisoner complaints. Your Committee has learned that the Department of Public Safety has not had a monitor in place for the past year or more to report on Hawaii prisoner complaints at mainland prisons. A monitor would keep the Department of Public Safety continuously informed of the welfare of Hawaii prisoners confined on the mainland. Your Committee notes that the Department of Public Safety is in the process of searching for a new monitor.

Your Committee has amended this measure by:

- (1) Limiting the administrative remedy process to sixty days, after which time the prisoner may file an action in a state court; 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. 2735, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2735, 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. 2271 Public Safety, Government Operations, and Military Affairs on S.B. No. 2865

The purpose and intent of this measure is to expand the allowed uses of federal reimbursement maximization special fund monies to reflect United States Department of Justice approved uses.

Your Committee received testimony in support of this measure from the Department of Public Safety.

Your Committee finds that existing law limits uses of federal reimbursement maximization special fund monies to provide the state match for federal grants. Since the enactment of section 353C-7, Hawaii Revised Statutes, by Act 172, Session Laws of Hawaii 2001, the Department of Justice has developed rules that allow expanded uses of the funds for correctional purposes. As federal grant

opportunities are currently diminishing, it would greatly benefit the Department of Public Safety to access federal reimbursement maximization special fund monies for other pressing needs. This measure allows the Department of Public Safety to access these monies to further the goals of corrections, including providing training for corrections officers; conducting facility or program evaluations; renting or purchasing vehicles for inmate transport; providing pre-release and re-entry programs; improving technology; and developing a plan for workforce recruitment and retention.

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. 2865 and recommends that 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. 2272 Public Safety, Government Operations, and Military Affairs on S.B. No. 2945

The purpose and intent of this measure is to authorize, in any county with a population of five hundred thousand or more, the revocation or suspension of a liquor license for a continuing pattern of noise, disturbance, misconduct, or disorder on or about the licensed premises.

Your Committee received testimony in support of this measure from the Liquor Commission of the City and County of Honolulu. Your Committee received testimony in opposition to this measure from the Hawaii Bar Owners Association and two individuals.

Your Committee finds that this measure will help ensure the health, welfare, and safety of patrons of such licensed premises, as well as improve the living environment of the community in which the licensed premises are located, by allowing a liquor board or commission to revoke or suspend an establishment's liquor license for a continuing pattern of noise, disturbance, misconduct, or disorder.

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. 2945 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 (Slom).

SCRep. 2273 Public Safety, Government Operations, and Military Affairs on S.B. No. 2950

The purpose and intent of this measure is to make a grant-in-aid appropriation to the Department of the Prosecuting Attorney of the City and County of Honolulu for the Honolulu Family Justice Center.

Your Committee received testimony in support of this measure from the Honolulu Prosecuting Attorney and Honolulu Department of Community Services.

Your Committee finds that a grant-in-aid to the Honolulu Family Justice Center is necessary and is in the interests of promoting public safety and welfare.

The Family Justice Center is the product of the battered women's movement in the United States and over twenty years of efforts by domestic violence intervention professionals to mainstream aggressive intervention strategies into the civil and criminal justice systems. Communities have identified the benefits of bringing together advocates, law enforcement personnel, prosecutors, and other intervention service-provider professionals to work together in serving victims of domestic violence and holding offenders accountable.

Currently, over sixty Family Justice Centers have been established across the United States and several centers are operating overseas. The Family Justice Center model has been identified as a "best practice" in delivering services to victims of domestic abuse.

The Honolulu Family Justice Center is targeting a July 2012 date to open Phase I of the Center. The Honolulu Family Justice Center will provide services to victims of domestic violence, sex assault, and elder abuse. An important service component will address the needs of immigrant victims. Efforts are underway to identify and locate space for Phase I.

Your Committee has amended this measure by inserting an appropriation amount of \$500,000.

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. 2950, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2950, 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. 2274 Public Safety, Government Operations, and Military Affairs on S.B. No. 2955

The purpose and intent of this measure is to authorize probation officers to carry and use electric guns.

Your Committee received testimony in support of this measure from the Hawaii State Judiciary Adult Probation Division. Testimony in opposition was received from the Honolulu Police Department. Comments were received from the Judiciary and the American Civil Liberties Union of Hawai'i.

Your Committee finds that the job of a probation officer is an essential, yet at times dangerous, occupation. Probation officers work in a dangerous environment with persons convicted of felonies.

Your Committee desires to ensure that probation officers receive the proper education and training in the safe use of electric guns.

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. 2955, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2955, 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. 2275 Public Safety, Government Operations, and Military Affairs on S.B. No. 3054

The purpose and intent of this measure is to require the Auditor to conduct a financial and management audit of the operations of the Department of Public Safety's commissaries, as well as the operations of commissaries in out-of-state contracted correctional facilities where Hawaii inmates are confined.

Your Committee received testimony in support of this measure from the Department of Public Safety, Office of Hawaiian Affairs, and four individuals.

Your Committee finds that commissary operations at correctional facilities in Hawaii and out-of-state contracted correctional facilities have never been audited. There is no existing information about such things as prices, overhead expenses, and profits, particularly if the commissary is a privately contracted enterprise in a mainland prison. An audit is critical to determining if there is undue mark-up in prices and if there is, where the profits are being applied.

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. 3054 and recommends that 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. 2276 Human Services on S.B. No. 2221

The purpose and intent of this measure is to amend the offense of promoting child abuse in the second degree to include possession of thirty or more images of child pornography, where the content of at least one image contains a minor younger than the age of twelve, sadomasochistic abuse of a minor, or bestiality involving a minor.

Your Committee received testimony in support of this measure from the Department of the Attorney General and one individual.

Your Committee finds that Hawaii's child pornography laws are weak and do not distinguish between the various forms of child pornography. Currently, possession of any form of child pornography is covered under the offense of promoting child abuse in the third degree, but a violation is only a class C felony. This measure will amend the offense of promoting child abuse in the second degree, a class B felony, to include particularly violent or egregious child pornography.

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. 2221 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. 2277 Human Services on S.B. No. 2811

The purpose and intent of this measure is to eliminate the requirement for the Department of Human Resources Development to submit annual reports to the Legislature regarding expenditures of qualified community rehabilitation programs and related activities.

Your Committee received testimony in support of this measure from the Department of Human Resources Development.

Your Committee finds that the Department of Human Resources Development is instructed to submit annual reports to the Legislature regarding expenditures of qualified community rehabilitation programs and related activities pursuant to Act 213, Session Laws of Hawaii 2008. Act 213(2008) amends section 76-77(16), Hawaii Revised Statutes, which modified the statutory exemption from civil service applicable to the counties of Hawaii, Maui, and Kauai, by setting a higher monetary limitation for contract services with qualified community rehabilitation programs. Your Committee also finds that section 76-77, Hawaii Revised Statutes, does not apply to the State and because the statutory provision does not permit the State Executive Branch to contract with qualified community rehabilitation programs, the Department of Human Resources Development does not have anything to report on behalf of the State. This measure eliminates the requirement of the Department of Human Resources Development to submit annual reports to the Legislature regarding expenditures of qualified community rehabilitation programs.

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. 2811 and recommends that 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. 2278 Human Services on S.B. No. 2269

The purpose and intent of this measure is to appropriate funds as a grant to Best Buddies International, Inc., for the purposes of expanding Best Buddies Hawaii chapters on the islands of Maui and Oahu and to provide valuable support to youth with intellectual and developmental disabilities.

Your Committee received testimony in support of this measure from the Department of Education; the State Council on Developmental Disabilities; Best Buddies International, Inc.; Best Buddies Hawaii; Best Buddies Oahu Advisory Board; Best Buddies Maui Chapter; Lokelani 'Ohana; and ten individuals.

Your Committee finds that Best Buddies has been a very successful program that provides opportunities for individuals with intellectual and developmental disabilities to engage in one-on-one interactions, establish long-lasting friendships, and participate in social networking. This measure will provide Best Buddies Hawaii with funding to expand its program to the islands of Maui and Oahu.

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. 2269, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2269, 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. 2279 (Joint) Economic Development and Technology and Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 2433

The purpose and intent of this measure is to establish standards, regulations, and procedures for zipline and canopy tour operators; responsibilities for participants, including prohibited acts; and permitting, certification, and inspection requirements.

Your Committees received testimony in support of this measure from Activities & Attractions Association of Hawaii, Frogman Charters Inc., Paradise Helicopters, Piiholo Ranch Zipline, Polynesian Cultural Center, Princeville Ranch Adventures, Skyline Eco-Adventures, Hawaii Cattlemen's Council, and nine individuals. Your Committee received comments on this measure from the Department of Labor and Industrial Relations.

Your Committees find that zipline and canopy tours are one of the fastest growing segments of the State's activities and attractions, showcasing Hawaii's natural beauty and providing new ways for visitors to experience the islands. Your Committees further find that the safety and security for participants is of paramount importance, and this measure is a first step in ensuring that safety.

Your Committees have considered the concerns raised by the Department of Labor and Industrial Relations, and note that while the Department and the interested parties have been working in collaboration to address the various concerns, consensus has not been reached. Your Committees believe that establishing provisions similar to state law relating to activity desk providers, under the authority of the Department of Labor and Industrial Relations, may be one approach to consider, and urge the parties to continue their work on this measure.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to ensure 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 and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2433, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2433, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, 2 (Galuteria, Ihara).

SCRep. 2280 (Joint) Economic Development and Technology and Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on S.B. No. 2233

The purpose and intent of this measure is to require government agencies to disseminate publications of notice electronically, while retaining the option of providing additional supplemental notice in a daily or weekly publication of statewide circulation or in a daily or weekly publication in the affected county, as appropriate.

Your Committees received testimony in support of this measure from the Office of Information Management & Technology; Hawaii Community Development Authority; Office of Information Practices; Hawaii State Public Library System; the Judiciary; and the Department of Planning and Permitting, County of Honolulu. Your Committees received testimony in opposition to this measure from AARP Hawaii, Hawaii Publishers Association, Star Advertiser, Hawaii Tribune-Herald, The Maui News, West Hawaii Today, and one individual. Your Committees received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committees find that under existing law, public notices are required to be published in daily or weekly publications, with publication on the State's interactive computer system as a supplemental option. As electronic posting of information has become an accepted and expected way to conduct business, your Committees agree that the State and counties should be authorized to publish public notices online. This will align with the State's strategic plan to leverage new technologies to increase government transparency and enhance citizen engagement and participation, while providing increased cost efficiencies for state government.

Your Committees further find that as the cost of publication in daily or weekly publications increases, requirements for public notice have a detrimental effect on the public as well. Your Committees have heard that mortgage foreclosure notices, for example, may cost as much as \$4,000 for the required three publications, a substantial amount in the current economy.

Your Committees have also heard concerns raised regarding residents who may not be computer “literate” or who have limited or no access to online information, such as senior citizens, the disabled, and disadvantaged groups.

Your Committees have amended this measure accordingly, by:

- (1) Authorizing government agencies to disseminate publications of notice electronically, in addition to the existing options of statewide publication in a daily or weekly publication of statewide circulation or county-wide publication in a daily or weekly publication in the affected county, as appropriate;
- (2) Requiring public notices and websites to be accessible to the disabled, the elderly, and other individuals who require state assistance to access the website;
- (3) Clarifying that if the public notice is published on the centralized website of the State of Hawaii, the public notice shall include information or links to other locations of the electronic or online notice;
- (4) Clarifying that the appropriation for the operational expenses of the Office of Information Management and Technology includes establishment of a centralized website of the State of Hawaii, and specifying features to be included on the centralized website;
- (5) Making an appropriation for support services by the Hawaii State Public Library System for the public to access and print information from the centralized website, including ADA-compliant stations with accessible printers and workstations; and
- (6) Changing the effective date of the amended public notice requirements from January 1, 2013, to July 1, 2013.

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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2233, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2233, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Ihara, Kidani, Ryan).

SCRep. 2281 (Joint) Economic Development and Technology and Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.B. No. 2381

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to plan, construct, operate, and maintain any lands or facilities under the jurisdiction of the Division of Boating and Ocean Recreation, including the acquisition and use of lands necessary to stockpile dredged spoils, without the approval of county agencies.

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 a member of the Maui County Council. Your Committees received comments on this measure from the Environmental Center at the University of Hawaii at Manoa.

Your Committees find that Act 161, Session Laws of Hawaii 1980, granted the Department of Transportation the authority to plan, construct, operate, and maintain harbors throughout the State without the approval of county agencies. Act 272, Session Laws of Hawaii 1991, transferred the jurisdiction, functions, powers, duties, and authority of the boating and ocean recreation program from the Department of Transportation to the Department of Land and Natural Resources, but did not explicitly grant the exemption from county approvals.

Your Committees further find that this measure would expedite implementation of much needed improvement projects at the State’s boating facilities, for the benefit of residents and visitors alike.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology 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. 2381 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, Ayes with Reservations (Baker, Ryan). Noes, none. Excused, 2 (Shimabukuro, Tokuda).

SCRep. 2282 (Joint) Economic Development and Technology and Commerce and Consumer Protection on S.B. No. 2655

The purpose and intent of this measure is to establish provisions for the sale of portable electronics insurance and to require vendors to hold a limited lines license to sell or offer coverage under a policy.

Your Committees received testimony in support of this measure from Asurion. Your Committees received comments on this measure from the State Insurance Commissioner.

Your Committees find that this measure would present the consumer with an alternative to the service contract provider authorized by chapter 481X, Hawaii Revised Statutes, but would not prevent the continued marketing of the service contract providers’ current products. Presently, service contract providers offer similar types of indemnity protections in conjunction with the service contracts and extended warranties.

Your Committees have considered a number of recommendations from the State Insurance Commissioner, which will clarify this measure while ensuring adequate consumer protection.

Your Committees have amended this measure accordingly, by:

- (1) Replacing references to the “director” with the “commissioner”;

- (2) Replacing the specific provisions related to suspension or revocation of license with sanctions for violations, which clarify that the vendor of portable electronics or its employee or authorized representative is subject to sanctions pursuant to chapter 431, Hawaii Revised Statutes, for the violation of any provision of the new chapter;
- (3) Clarifying that the termination of portable electronics insurance requires the consent of the policyholder and the customer, and requiring that the policyholder and enrolled customers shall be provided at least thirty days' notice before the agreed change becomes effective;
- (4) Clarifying that initial portable electronics licenses issued shall be valid for not less than twenty-four months and renewals for twenty-four months, requiring each vendor of portable electronics to pay to the Insurance Commissioner a fee of \$2,000 for the issuance of the initial portable electronics limited lines license plus a \$1,200 per year license fee for the initial or renewal term, and authorizing a pro-rata portion of the license fee to be applied for a partial year of the initial term;
- (5) Replacing references to "agent" with "vendor"; 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 Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2655, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2655, 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 (Galuteria, Solomon).

SCRep. 2283 Economic Development and Technology on S.B. No. 2941

The purpose and intent of this measure is to extend the income tax credit for qualified research activities for an additional five years and to add extensive reporting requirements related to the tax credit.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii, Continuum Icon, Makai Ocean Engineering, Navatek Ltd., NovaSol, Referentia, and one individual. Your Committee received comments on this measure from the Hawaii Strategic Development Corporation, High Technology Development Corporation, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that the state tax credit for research activities was an effective measure to support research and development activities, and in turn, foster and encourage the innovation essential to create high-wage job opportunities in the State's economy. Your Committee understands that the tax credit claims under this program averaged approximately \$11,000,000 a year. However, it is anticipated that use of this credit in the future may fall below this average as federal spending on research activities has been reduced due to the elimination of congressional earmarks. In addition, as the credit can only be claimed for actual expenditures made in Hawaii and for only twenty percent of the qualified expenditures, the cost of the program is partially offset by taxes paid on expenditures and payroll.

Your Committee further finds that in the current economy, extension of this tax credit would provide critical assistance for research activities that are the base of success in the rapidly evolving technology industry, and for which other financial assistance is limited.

Your Committee has amended this measure by:

- (1) Repealing the definition of "basic research", as it is unnecessary;
- (2) Amending the definition of "qualified high technology business" to mean a business employing or owning capital or property, or maintaining an office, in this State; provided that more than fifty percent of its total business activities are qualified research and more than fifty percent of its qualified research is in this State;
- (3) Repealing the reference to research conducted outside of the State from the definition of "qualified research";
- (4) Establishing a fine of not more than \$1,000 for each month of a delay to file by the due date an annual survey with the Department of Taxation; and
- (5) Requiring federal and state income tax returns and documents related to deductions for tax credits for research activities to be filed as part of the survey.

Your Committee is concerned that some of the definitional changes may need further clarification, particularly in relation to the definitions for "qualified high technology business" in sections 235-110.91 and 235-7.3, Hawaii Revised Statutes. Your Committee encourages the stakeholders and the Department of Taxation to continue discussions on the appropriate terminology.

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. 2941, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2941, 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. 2284 Economic Development and Technology on S.B. No. 2895

The purpose and intent of this measure is to provide the Hawaii community-based economic development program with additional authority for the use of federal new markets tax credits by:

- (1) Defining “community development entity” to allow Hawaii to provide financing through a structure that facilitates the use of new markets tax credits;
- (2) Expanding the methods of delivering funding to a project by providing loans to capitalize a community development entity and providing guarantees or other credit enhancements that will facilitate private lenders’ participation; and
- (3) Adjusting loan maximums and establishing guarantees or credit enhancements to reflect current available funding and facilitate monetization of existing project assets.

Your Committee received testimony in support of this measure from Enterprise Honolulu, Oahu Economic Development Board; The AKAMAI Foundation; PMK Capital Partners LLC; Innovations Development Group; Indigenous Consultants, LLC; Waimanalo Hawaiian Homes Association and Na Kuhio ‘Ike. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the new markets tax credit program was created to facilitate projects in low-income communities, and the program has been used successfully in several other states. Your Committee understands that the first new markets tax credit project in Hawaii was recently approved in Waimanalo for the Hawaiian Homestead Community, providing financing for a community technology, education, and employment center for residents of the homestead community.

Your Committee is strongly supportive of these efforts to revitalize low-income communities throughout the State, and commends the Waimanalo Hawaiian Homes Association for securing vital funding through the new markets tax credit program. Their success will serve as a model for other communities seeking funding in difficult economic times.

Your Committee has amended this measure by:

- (1) Incorporating the provisions of S.B. No. 831, Regular Session of 2011, which establishes a state new markets tax credit and makes conforming amendments to the State’s tax laws, and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee understands that additional clarification of definitions and terminology may be considered as this measure moves through the legislative process.

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. 2895, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2895, 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. 2285 Health on S.B. No. 2145

The purpose and intent of this measure is to:

- (1) Require the Adult Mental Health Division of the Department of Health to provide services to people with a qualifying diagnosis;
- (2) Allow the Department of Health to bill an insurer for treatment services rendered by the State pursuant to chapter 334, Hawaii Revised Statutes; and
- (3) Make the Department of Health eligible to receive reimbursement from an insurer in exchange for treatment services rendered by the State pursuant to chapter 334, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Hawaii Disability Rights Center, Hoola Lahui Hawaii, The Queen’s Health Systems, NAMI, and two individuals. Your Committee received comments on this measure from the Department of Health, HMSA, and United Self Help.

Your Committee finds that the Department of Health rules provide that even if an individual has a qualifying diagnosis, that individual is ineligible for any services if the individual has any form of health insurance coverage, regardless of whether services offered by the Adult Mental Health Division are covered under the insurance policy. Your Committee finds that this rule restricts, for no compelling reason, the provision of valuable services offered by the Adult Mental Health Division to these individuals.

Your Committee has amended this measure by:

- (1) Inserting additional background information in the purpose section;
- (2) Clarifying that one of the Department of Health’s duties shall be to provide services to persons who have a qualifying diagnosis;
- (3) Adding language to provide that any person who has a qualifying diagnosis shall be eligible to receive services that are offered by the Adult Mental Health Division and that are not covered by any insurance policy held by or for the benefit of that person;
- (4) Inserting an appropriation of \$6,000,000 for the Department of Health to provide additional mental health services; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2145, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 2286 Human Services on S.B. No. 2435

The purpose and intent of this measure is to appropriate funds for 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.

Your Committee received testimony in support of this measure from the Department of Human Services, the Disability and Communication Access Board, and four individuals.

Your Committee finds that it is essential for individuals who are print disabled to have access to certain print media through audible or other mechanisms. Print-disabled clients include but are not limited to clients who have blindness and visual impairments or learning disabilities. This measure will appropriate funds to the Vocational Rehabilitation and Services for the Blind Division to contract out for services that provide audible information access services to this population.

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. 2435 and recommends that 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. 2287 (Joint) Human Services and Judiciary and Labor on S.B. No. 2590

The purpose and intent of this measure is to give preference to allowing a child who has been or is at risk of being abused to remain in a safe family home, and to require the perpetrator of the abuse to leave the home, in certain cases of reported or suspected child abuse or neglect.

Your Committees received testimony in support of this measure from the Department of Human Services. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that in the case of child abuse, it is important to ensure continuity and consistency for a child who might otherwise need out-of-home placement. This measure will offer an alternative to a child's placement in out-of-home care, such as foster care, that may be viable under certain circumstances.

Your Committees note that according to the Department of the Attorney General's testimony, there already exists a test for the court to determine whether a child should be left in or returned to the family home – whether it is more probable than not that the family home is a safe family home with the assistance of a service plan. This measure creates a different test – whether it is more likely than not that a child will be safe from harm in the family home. Rather than creating two different tests and inserting the preference throughout the entire sequence of decisions by the Department of Human Services that lead to the court's determination of placement of a child, your Committees find that the purposes of this measure may be better effectuated by inserting the preference for allowing a child to remain in a safe family home within the existing statutes that describe the court's considerations in determining whether to place a child in the family home or in foster care.

Your Committees have amended this measure accordingly by:

- (1) Deleting sections 1 to 5 of the measure;
- (2) Inserting language that creates a preference for the removal of the perpetrator from the family home, rather than the child, as described in section 587A-26(c)(2)(B), Hawaii Revised Statutes, throughout various court proceedings, including the return hearing, periodic review hearing, permanency hearing, and issuing of the protective order, which makes the language consistent throughout chapter 587A, Hawaii Revised Statutes; and
- (3) Inserting language that places the burden on the child's family to establish that it is in a child's best interest to remove the child, rather than the alleged or potential perpetrator, from the family home.

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. 2590, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2590, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 2288 (Joint/Majority) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 2632

The purpose and intent of this measure is to:

- (1) Require all fee time share interests to be recorded in the regular system of the Bureau of Conveyances, rather than the Land Court;
- (2) Remove the requirement that the Land Court update the certificates of title for individual fee time share interests as a condition to deregistration; and
- (3) Allow the Bureau of Conveyances to charge a transaction fee for recording in the Bureau of Conveyances and the Office of the Assistant Registrar of the Land Court.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; the Judiciary; SVO Pacific, Inc.; American Resort Development Association – Hawaii; Wyndham Vacation Ownership, Inc.; Title Guaranty of Hawaii, Inc.; and one individual. Your Committees received testimony in opposition to this measure from the Department of the Attorney General.

Your Committees find that Act 120, Session Laws of Hawaii 2009, was intended to alleviate some of the backlog in Land Court recordings and registration by transferring fee simple time share interests from the Land Court system to the regular system. However, updating and recording the certificates of title for all fee time share interests, as required by Act 120, has exceeded the capacity of the Land Court, particularly in light of the approximately three-year backlog of Land Court recordings and registration.

This measure is intended to ease the current backlog in Land Court recordings and registration by declaring that all fee time share interests are no longer subject to the Land Court. This measure also eliminates the requirement that the Assistant Registrar of the Land Court update or record certificates of title prior to removal.

Your Committees further find that since Act 120 took effect, the Bureau of Conveyances has been charging a fee to record the certificates of title. This measure changes procedures associated with the collection of these fees. To maintain the solvency of the Bureau, this measure allows the Bureau of Conveyances to charge a temporary fee until new rules relating to recording fees can be adopted.

Your Committees have amended this measure by:

- (1) Amending the definition of “deregistered land” to recognize the different categories of land and different methods of deregistration, including voluntary deregistration of land not constituting fee time share interests, involuntary deregistration of fee time share interests, and deregistration by operation of law;
- (2) Amending the definition of “fee time share interest” to clarify that the term applies to all time share interests that include an undivided interest in registered land on or after July 1, 2011, and that those time share interests that include an undivided interest in an estate for years in registered land shall be treated as leasehold time share interests, rather than as fee time share interests;
- (3) Deleting the language that would have amended the definition of “leasehold time share interest”;
- (4) Deleting the language that would have addressed the acceptable manner in which the value of land to be voluntarily deregistered could be established, as the language could have been interpreted as beyond the scope of this measure’s title;
- (5) Amending the language declaring that fee time share interests no longer constitute registered land to conform to existing statute and to clarify when fee time share interests with a certificate of title recorded prior to July 1, 2012, were deregistered;
- (6) Clarifying that the Registrar or Assistant Registrar is required to note on the certificate of title for each fee time share interest all pertinent documents and instruments accepted for registration prior to July 1, 2012;
- (7) Clarifying that certificates of title that were recorded but not yet certified by the Assistant Registrar prior to July 1, 2012, may be modified at any time prior to their certification, even if the certification occurs after the certificate of title is recorded;
- (8) Requiring a copy of each certificate of title for a fee time share interest to be recorded in the regular system upon completion of the certification process;
- (9) Adding language that provides that the cancellation of a certificate of title will be deemed to take place as of July 1, 2012, even though the certificate of title may be recorded subsequent to that date;
- (10) Amending the existing statute relating to the effect of deregistration to reflect the distinction between land voluntarily deregistered, fee time share interests deregistered prior to July 1, 2012, and fee time share interests that will be removed from the Land Court system by operation of law on or after July 1, 2012;
- (11) Adding an amendment to section 501-71, Hawaii Revised Statutes, to reflect the three different recordation or effective dates that correspond to the three different categories of deregistered land;
- (12) Amending language to require the Department of Land and Natural Resources to assess a transaction fee on the recordation of deeds of time share interests recorded in the Bureau of Conveyances for a limited period of time;
- (13) Amending the purpose section to reflect the amended purpose of the measure;
- (14) Inserting an effective date of July 1, 2020, to allow for further discussion; and
- (15) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that the amended version of this measure removes the reference to “leasehold time share interest” and limits the authorization of the Bureau of Conveyances to assess a transaction fee on fee time share interests. These amendments address all title concerns previously raised by the Department of the Attorney General.

Your Committees note that interested stakeholders continue to work on this measure, and a general consensus has been reached between parties. Ongoing discussions have been focused on two issues. The first issue concerns whether a time share interest comprised in whole or in part of an estate for years should be treated as a fee time share interest or a leasehold time share interest. The stakeholders agree that all time share conveyances should be recorded in the regular system of the Bureau of Conveyances, rather than the Land Court. However, discussions continue in light of the common law characteristics of an estate for years and theoretical issues regarding whether separate certificates of title should be issued to the holder of the estate for years and to the holder of the fee revision in the same parcel of land.

The second ongoing issue pertains to the best method to establish the chain of title for a fee time share interest. Under the amended measure, all fee time share interests will be deregistered as of July 1, 2012, but the certificates of title for those fee time share interests will not necessarily be recorded in the regular system of the Bureau of Conveyances and then cancelled on the records of the Land Court until some future date. A question has arisen as to whether passage of this measure is sufficient to place interested persons on notice that title to all fee time share interests has moved from the Land Court to the regular system as of July 1, 2012, or upon the earlier recordation of a certificate of title in the regular system.

Your Committees are encouraged by the collaborative efforts of all interested parties, but find that continuing discussion on this measure is necessary.

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. 2632, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2632, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2289 Agriculture on H.B. No. 1524

The purpose and intent of this measure is to:

- (1) Require persons sentenced for theft in the first, second, third, or fourth degree for an offense involving theft of an agricultural product or commodity to pay restitution to the victim in an amount equal to the value of what was stolen and the cost of replanting; and
- (2) Include in the offense of theft in the second degree the failure to maintain a required certificate of ownership or other written proof of ownership of commercial quantities of agricultural commodities while in possession of those commodities.

Your Committee received testimony in support of this measure from the Department of Agriculture; Waimanalo Agricultural Association; Hawaii Crop Improvement Association; Ace Farm, LLC; W.H. Shipman, Ltd.; Hawaii Farm Bureau Federation; Environmental Caucus of the Democratic Party of Hawaii; and three individuals.

Your Committee finds that agricultural theft continues to be a significant problem in the State and has resulted in millions of dollars in losses for the agricultural industry. This measure will allow prosecutors to develop stronger cases against thieves of agricultural products and commodities and will require repayment to those farmers victimized by agricultural theft.

Your Committee has amended this measure by making it effective on July 1, 2012.

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. 1524, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1524, 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, 4 (Chun Oakland, Dela Cruz, Shimabukuro, Tokuda).

SCRep. 2290 Agriculture on S.B. No. 2351

The purpose and intent of this measure is to:

- (1) Require the Department of Agriculture to establish and maintain an online system of licensure for commission merchants, dealers, brokers, agents, processors, and retail merchants of farm products; and
- (2) Establish the Department of Agriculture operations special fund.

Your Committee received testimony in support of this measure from the Department of Agriculture and the Hawaii Farm Bureau Federation. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that this measure will allow the Department of Agriculture to streamline and improve procedures for licensure for commission merchants, dealers, brokers, agents, processors, and retail merchants of farm products. However, your Committee does recognize concerns that the cost to maintain an online licensure system is unknown at this time.

As such, your Committee has amended this measure by changing the effective date to July 4, 2050, to ensure 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. 2351, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2351, 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, Dela Cruz, Shimabukuro, Slom).

SCRep. 2291 Agriculture on S.B. No. 2375

The purpose and intent of this measure is to allow for agricultural-based commercial operations in agricultural districts.

Your Committee received testimony in support of this measure from the Hawaii Aquaculture and Aquaponics Association; Kahuku Farms; Kamehameha Schools; Hawaii Farm Bureau Federation; Aquaculture Planning and Advocacy, LLC; Environmental Caucus of the Democratic Party of Hawaii; and one individual. 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 Agriculture.

Your Committee finds that this measure will provide agricultural producers with an additional outlet to sell their products. This measure will allow agricultural producers to explore creative ways to market their products to the community, while connecting the general public with fresh, locally grown agricultural products.

Your Committee has amended this measure by:

- (1) Including fresh agricultural products grown in Hawaii and value-added products that were produced using primarily raw Hawaii agricultural materials displayed and sold by roadside stands or producer-operated enclosed structures as products that may be sold or displayed at agricultural-based commercial operations;
- (2) Removing the authority for agricultural-based commercial operations to sell logo items related to Hawaii agricultural operations and other food items;
- (3) Removing retail food establishments as an authorized agricultural-based commercial operation in agricultural districts;
- (4) Requiring that agricultural-based commercial operations in agricultural districts be producer-operated; and
- (5) Requiring that producer-operators certify, upon request, that the agricultural products displayed or sold by the operation meet all of the requirements for agricultural-based commercial operations in agricultural districts.

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. 2375, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2375, S.D. 1, and be referred to the Committee on Water, Land, and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun Oakland, Dela Cruz, Shimabukuro, Tokuda).

SCRep. 2292 Agriculture on S.B. No. 2272

The purpose and intent of this measure is to appropriate funds for the construction of a vapor heat treatment facility by the Agribusiness Development Corporation on the island of Hawaii.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation; Diversified Ag Products, Inc.; Calavo Growers, Inc.; Hawaii Farm Bureau Federation; Hawaii Farmers Union; and one individual. Your Committee received testimony in opposition to this measure from Hawaiian Rainbow Products and Diamond Heat Papaya Co., Ltd.

Your Committee finds that many of the tropical fruits grown in Hawaii cannot be transported to markets on the mainland or other countries that prohibit the entry of fruit fly hosts without quarantine treatment. Your Committee further finds that vapor heat treatment is lethal to pests such as fruit flies.

While your Committee understands that this measure may help to increase the amount of tropical fruits that Hawaii may export, your Committee notes that there are already four existing vapor heat treatment facilities in Hawaii and that the Agribusiness Development Corporation plans to partner with a processor and distributor on the island of Hawaii to operate a new vapor heat facility if funds are appropriated for its construction. Although it was reported that the existing vapor heat treatment facilities may be operating below full capacity, your Committee is concerned that an additional vapor heat treatment facility may be unnecessary and may actually hurt Hawaii's papaya industry by saturating the market and driving prices down for Hawaii-grown papaya.

Your Committee hopes that there will be continued discussion on the need for an additional vapor heat treatment facility as this measure progresses.

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. 2272 and recommends that 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 (Wakai). Noes, none. Excused, 3 (Chun Oakland, Shimabukuro, Slom).

SCRep. 2293 Agriculture on S.B. No. 2352

The purpose and intent of this measure is to:

- (1) Require the Department of Agriculture to guarantee up to eighty percent of the principal balance of a loan by a private lender made to a qualified farmer, food manufacturer, or cooperative;
- (2) Require the Chairperson of the Board of Agriculture to guarantee loans from commercial lenders and broaden the scope of the guarantee from important agricultural lands to all agricultural lands; and
- (3) Specify the loan application requirements for loan guarantees by the Department of Agriculture.

Prior to decision making, your Committee made available for public review a proposed S.D. 1, which deleted the contents of this measure and replaced it with language authorizing the issuance of \$20,000,000 in special purpose revenue bonds to assist Kauai Coffee Company Incorporated (Kauai Coffee) in the planning, construction, and operation of a coffee processing facility for the production of Hawaii-grown coffee products.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii Farmers Union United, ILWU Local 142, and one individual. Your Committee received testimony in opposition to the proposed S.D. 1 from five individuals. Your Committee received comments on the proposed S.D. 1 from the Department of Budget and Finance.

Your Committee finds that the issuance of special purpose revenue bonds to assist Kauai Coffee with the planning, construction, and operation of a coffee processing facility will provide a benefit for all coffee producers by allowing them to process their product in Hawaii. As this measure progresses, your Committee stresses the importance of communicating the statewide benefit this measure will provide.

Your Committee adopted the amendments in the proposed S.D. 1 and further amended this measure by changing:

- (1) The amount of special purpose revenue bonds authorized for issuance from \$20,000,000 to \$10,000,000; and
- (2) The effective date from upon approval to July 1, 2012.

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. 2352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2352, 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. 2294 (Joint) Agriculture and Water, Land, and Housing on S.B. No. 2362

The purpose and intent of this measure is to authorize the Director of Finance to issue general obligation bonds to finance capital improvements to various irrigation systems throughout the State.

Your Committees received testimony in support of this measure from the Department of Agriculture, Ka'u Farm Bureau, and Hawaii Crop Improvement Association.

Your Committees find that the State's irrigation systems provide one of the most essential resources to Hawaii's agricultural system. Some of the irrigation systems in the State are over one hundred years old and in desperate need of improvement. This measure is necessary to help extend the life of these irrigation systems so they can continue to be a resource for Hawaii's farmers.

Your Committees note the testimony of the Department of Agriculture that the Kau irrigation system, while being a public system, may run through a portion of privately owned land. Your Committees encourage the Department of Agriculture to continue to seek clarification on this issue as this measure progresses.

Your Committees have amended this measure by:

- (1) Adding language to clearly state that the Kau irrigation system is essential to agricultural operations in the Kau area of the island of Hawaii and that an appropriation for the Kau irrigation system is in the public interest;
- (2) Changing the effective date to July 1, 2012; 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 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. 2362, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2362, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 2 (Chun Oakland, Fukunaga).

SCRep. 2295 (Joint) Agriculture and Water, Land, and Housing on S.B. No. 2341

The purpose and intent of this measure is to:

- (1) Repeal the prohibition on overnight accommodations at accessory facilities that are connected with a farming operation; and
- (2) Authorize short-term rentals in agricultural districts.

Your Committees received testimony in support of this measure from Olomana Gardens, Windward Ahupua'a Alliance, and one individual. Your Committees received testimony in opposition to this measure from the Department of Agriculture; Department of Business, Economic Development, and Tourism; and City and County of Honolulu Department of Planning and Permitting. Your Committees received comments on this measure from the Hawaii Farm Bureau Federation.

Your Committees find that agritourism has been successful in other areas of the United States, such as Napa Valley in California. Allowing more opportunities for farmers and ranchers to raise capital is something that must be taken into consideration when looking at ways to make Hawaii more self-sufficient in food production. However, your Committees also recognize the concerns raised by the Department of Agriculture and the City and County of Honolulu Department of Planning and Permitting that allowing short-term rentals may increase land values in agricultural districts and may contribute to the loss of agricultural lands to higher-value, non-agricultural leases.

As such, your Committees have amended this measure by:

- (1) Adding a purpose section; and
- (2) Allowing within agricultural districts activities or uses for short-term rentals of thirty-one days or less, in any one stay within a county; provided that the appropriate county has adopted an ordinance that specifically authorizes such use.

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. 2341, as amended herein, and

recommend that it pass Second Reading in the form attached hereto as S.B. No. 2341, S.D. 1, and be referred to the Committee on Tourism.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Ayes with Reservations (Kouchi). Noes, none. Excused, 3 (Chun Oakland, Fukunaga, Tokuda).

SCRep. 2296 (Joint) Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing on S.B. No. 2877

The purpose and intent of this measure is to repeal the statutory requirement that the State reimburse the City and County of Honolulu for the operation and maintenance of the fireboat.

Your Committees received testimony in support of this measure from the Department of Transportation. Testimony in opposition was received from three individuals. Comments were received from the Hawaii Fire Fighters Association.

Your Committees find that this measure allows for broader flexibility in the management of fireboat operations by the Department of Transportation. Repealing the requirement to reimburse the Honolulu Fire Department for the maintenance and operation of the State's fireboat "Moku Ahi" will allow for more economical management and enable a more comprehensive marine incident response program to be implemented. The maritime community and citizens of Hawaii will be better served by providing the Department of Transportation with this flexibility.

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. 2877 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. 2297 (Joint) Energy and Environment and Water, Land, and Housing on S.B. No. 2855

The purpose and intent of this measure is to authorize an agency to adopt, amend, or repeal administrative rules on less than thirty days' notice of hearing if the agency finds an imminent peril to the natural resources or health of the environment.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Maui Invasive Species Committee, The Nature Conservancy, and Coordinating Group on Alien Pest Species.

Your Committees find it necessary to equip the Department of Land and Natural Resources with legal tools to prevent the interisland transportation of alien invasive species. The proliferation of axis deer on Hawaii island is the most recent example of the detrimental effects of interisland transportation of alien invasive species. This alien invasive species causes great damage to native habitat and agricultural crops and endangers automobile drivers on roadways. A rapid response mechanism is necessary to prevent the axis deer and other alien invasive species from establishing themselves in our State.

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. 2855 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Shimabukuro, Solomon, Slom).

SCRep. 2298 (Joint) Energy and Environment and Water, Land, and Housing on S.B. No. 2277

The purpose and intent of this measure is to:

- (1) Authorize citizen suits to enforce habitat conservation plans or safe harbor agreements and accompanying licenses; and
- (2) Repeal the prohibition on the approval of the issuance of new safe harbor agreements, habitat conservation plans, and incidental take licenses after July 1, 2012.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, University of Hawaii Environmental Center, Earthjustice, Life of the Land, Conservation Council for Hawai'i, Sierra Club, First Wind, and ten individuals. Your Committees received comments on this measure from The Pacific Resource Partnership, Land Use Research Foundation of Hawaii, Hawaii Farm Bureau Federation, and The Nature Conservancy.

Your Committees find habitat conservation plans and safe harbor agreements to be necessary to the recovery of the State's threatened and endangered species. Species that have benefited from habitat conservation plans and safe harbor agreements include the nene, montane-nesting seabirds, and the Hawaiian hoary bat. Eight habitat conservation plans and six safe harbor agreements have been issued under state law, and the Department of Land and Natural Resources anticipates finalizing ten new habitat conservation plans and three safe harbor agreements in the near future.

While your Committees recognize the need to enforce habitat conservation plans and safe harbor agreements, your Committees find that the negative impacts of citizen suits outweigh the benefits. A more promising enforcement mechanism is the contested case hearing provided under chapter 91, Hawaii Revised Statutes. Emergency situations that pose a significant risk to the well-being of any species of fish, wildlife, or plant also warrant the creation of an additional administrative remedy.

Your Committees have amended this measure by:

- (1) Replacing the language that amended section 195D-32, Hawaii Revised Statutes, relating to citizen suits with language that establishes a new section in chapter 195D, Hawaii Revised Statutes, which:

- (A) Requires that a challenge to the approval of a habitat conservation plan or safe harbor agreement and accompanying license be through a contested case hearing rather than an original court action;
 - (B) Authorizes petitions to the Board of Land and Natural Resources for an emergency stay order in cases in which an emergency poses a significant risk to the well-being of any species of fish, wildlife, or plant; and
 - (C) Authorizes additional, specified remedies for a person aggrieved by an administrative decision of the Board of Land and Natural Resources;
- (2) Adding a definition of the term "chairperson";
 - (3) Repealing section 195D-27, Hawaii Revised Statutes, which pertained to the administrative enforcement of rules, habitat conservation plans, safe harbor agreements, and incidental take licenses; 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 Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2277, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2277, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Shimabukuro, Solomon).

SCRep. 2299 Judiciary and Labor on S.B. No. 3030

The purpose and intent of this measure is to create a uniform policy allowing salary decreases for all heads of legislative agencies by applying the salary diminishment provisions to the Auditor.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii. Testimony in opposition to this measure was submitted by the Office of the Auditor.

Your Committee finds that while all salaried state officers are subject to salary cuts as provided by general law, the Auditor is statutorily exempt from these provisions. This measure creates parity with the salary diminishment provisions applied to the heads of the other legislative agencies.

The State Auditor noted that the Office of the Auditor is different from the other legislative agencies in that the auditor position was constitutionally created. The enabling statutes established a salary diminishment exemption for the Auditor without any express qualifying statements for the exemption. Your Committee believes this issue merits further discussion as this measure moves through the legislative process.

As such, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 3030, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3030, S.D. 1, 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. 2300 Judiciary and Labor on S.B. No. 2749

The purpose and intent of this measure is to harmonize the service retirement, ordinary disability retirement, and ordinary death benefits for members of the Employees' Retirement System who become members after June 30, 2012, and restores age and service requirements for retirement parity for current members who become judges after June 30, 2012, and other contributory plan members. Specifically, this measure:

- (1) Restores parity between judges and other contributory plan members with respect to age and service requirements for retirement;
- (2) Deletes water safety officers from the list of individuals who join the Employees' Retirement System as contributory members after June 30, 2012, as this category no longer applies because officers becoming members after June 30, 2012, are Hybrid Plan members;
- (3) Applies the same benefit multiplier for service retirement benefits and ordinary disability benefits for Hybrid Plan members who become members of the Employees' Retirement System after June 30, 2012;
- (4) Makes the service requirement for payment of the Hybrid Plan hypothetical account balance as an ordinary death benefit for an individual who becomes a member after June 30, 2012, the same as the service requirement for an inter vivos withdrawal by the member after the member has terminated service; and
- (5) Makes various housekeeping amendments to correct typographical errors and avoid confusion.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and the Employees' Retirement System.

Your Committee finds that this measure makes several amendments to the pension and retirement laws in order to clarify benefit changes made under Act 163, Session Laws of Hawaii 2011. The purpose of Act 163 was to make various revisions to the Employees' Retirement System in order to reduce the system's unfunded liability. These amendments harmonize the service requirements and ordinary death benefits for individuals who become members of the Employees' Retirement System after June 30, 2012, as a result of Act 163.

In particular, your Committee notes that prior to the enactment of Act 163, Session Laws of Hawaii 2011, the age and service requirements for retirement for judges were the same as for other contributory plan members who became members of the Employees' Retirement System at the same time. However, Act 163 establishes more stringent age and service requirements for retirement by individuals who become members after June 30, 2012, and for current system members who become judges after June 30, 2012. As a result, current system members who become judges after June 30, 2012, are subject to more stringent age and service requirements than other contributory plan members of the system at the same time. In light of the reported \$8,164,000,000 Employees' Retirement System's unfunded liability as of June 30, 2011, your Committee finds that "grandfathering" in existing system members who become judges after June 30, 2012, so that the more stringent service and age requirements do not apply to these members is counterproductive to the reduction of the unfunded liability.

As such, your Committee has amended this measure by:

- (1) Deleting the provisions that restore parity between judges and other contributory plan members with respect to age and service requirements for retirements;
- (2) Changing the effective date to July 1, 2012; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2749, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2749, S.D. 1, and be 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. 2301 Judiciary and Labor on S.B. No. 2750

The purpose and intent of this measure is to address the Employees' Retirement System's unfunded liability and help ensure the system's future sustainability. Specifically, this measure:

- (1) Requires a public employee's last state or county employer to pay to the Employees' Retirement System the present value of additional benefits resulting from spiking; and
- (2) Limits the amount of compensation included in the average final compensation of Employees' Retirement System members by excluding from the calculation of average final compensation late career spikes in an employee's compensation attributable to non-base pay compensation, such as overtime, by establishing the following criteria:
 - (A) For employees who become system members after June 30, 2012: Limits the amount of compensation that can be included in the calculation of the member's retirement benefits if the member's non-base pay during the member's high-five years exceeds limits based on the average of the member's base pay during the last ten years of the member's service; and
 - (B) For employees who become members before July 1, 2012: Limits the amount of compensation that can be included in the calculation of the member's retirement benefits if the member's non-base pay during the member's high-three or high-five years exceeds limits as noted above; provided that this limitation will apply only to compensation, pay, or salary that will be earned after June 30, 2015.

Your Committee received testimony in support of this measure from the Office of the Governor; the Department of Budget and Finance; the Department of the Attorney General; and the Employee's Retirement System. Testimony in opposition to this measure was submitted by the United Public Workers, AFSCME Local 646, AFL-CIO; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the University of Hawaii Professional Assembly; the Hawaii Fire Fighters Association, IAFF Local 1463, AFL-CIO; the Hawaii State Teachers Association; the State of Hawaii Organization of Police Officers; and one private individual. Your Committee received comments on this measure from the Department of Budget & Fiscal Services of the City and County of Honolulu; the Honolulu Fire Department of the City and County of Honolulu; and the Police Department of the City and County of Honolulu.

Your Committee finds that the Employees' Retirement System is anticipating increases in the system's unfunded liability, which was reported at \$8,164,000,000 as of June 30, 2011. The continuing volatility and uncertainty of the investment markets, increasing longevity of Employees' Retirement System members, and declining payroll have a significant impact on increasing the system's unfunded liability. If these trends continue without significant increases to the investment portfolio, more solutions will be necessary to prevent the investment corpus from depletion.

As a result, this measure addresses the anticipated increases in benefits of Employees' Retirement System members and in the unfunded liability of the system by limiting the amount of compensation included in the average final compensation of new and current members (delayed by three years) and by requiring employers of current members to pay the costs attributable to the additional benefits resulting from pension spiking. Pension spiking is a process whereby public sector employees significantly increase their compensation, through overtime or other similar opportunities, in the years immediately preceding retirement in order to receive a larger pension than they otherwise would be entitled to receive. If an employee's pay increases substantially in the final years of employment, the employee's retirement benefits, which are based on the employee's three or five highest paid years, can be increased

dramatically without the years of contributions required to fund this increase. In turn, this spike in compensation increases the unfunded actuarial accrued liability of the Employees' Retirement System.

Your Committee recognizes that this measure places a certain level of responsibility and accountability on employers whose employees' compensation is spiked in the immediate years prior to retirement. As a result, employers will be forced to manage overtime and work productivity more efficiently and effectively. However, testimony submitted by several public employee unions in opposition indicate a lack of understanding of how the calculations in this measure were derived, concerns on how this measure will impact their union members' future benefits; and a desire for all stakeholders to discuss this measure and work out an equitable solution.

Your Committee further recognizes that additional time is needed to research the impact this measure may have on existing pension and retirement laws, especially on the laws relating to the determination of employer normal cost and accrued liability contributions, and the amount of annual contributions by the State and counties. Also, your Committee needs further time to consider applying similar fiduciary responsibilities under the federal Employee Retirement Income Security Act to the Board of Trustees of the Employees' Retirement System. A higher level of fiduciary duty may hold the Board of Trustees more accountable when making decisions that address the system's unfunded liability and future pension benefits of all public employees in the State. Your Committee encourages further discussion on these matters by the Committee on Ways and Means.

As such, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2750, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2750, S.D. 1, 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. 2302 (Majority) Judiciary and Labor on S.B. No. 2507

The purpose and intent of this measure is to address the health and safety needs of Hawaii's workers and their families by requiring employers to provide a minimum amount of paid sick and safe leave to employees in order to care for themselves or a family member who is ill, needs medical care, or is a victim of domestic violence, sexual assault, or stalking.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the United Public Workers, AFSCME Local 646, AFL-CIO; UNITE HERE Local 5; Catholic Charities Hawaii; the Hawaii State Coalition Against Domestic Violence; 9to5, National Association of Working Women; the Progressive States Network; the National Partnership for Women & Families; and seven private individuals.

Testimony in opposition to this measure was submitted by the Department of Human Resources Development; the Department of Human Resources of the City and County of Honolulu; the Building Industry Association of Hawaii; the Chamber of Commerce of Hawaii; the Retail Merchants of Hawaii; the Hawaii Food Industry Association; Hawaii Human Resources; the National Federation of Independent Business; Hawaii Employment Services, Inc.; the Hawaii Credit Union League; Suisan Company, Ltd.; Hawaii Accounting, Inc.; the Society for Human Resource Management Hawaii; RMA Sales; the Associated Builders and Contractors, Inc. Hawaii Chapter; the Hawaii Bankers Association; the Hawaii Cattlemen's Council, Inc.; Takamine Construction, Inc.; the Hawaii Restaurant Association; the Hawaii Automobile Dealers Association; the Molokai Chamber of Commerce; the Hawaii Farm Bureau Federation; the Big Island Farm Bureau; and seven private individuals.

Your Committee received comments on this measure from the Department of Labor and Industrial Relations; the International Longshore and Warehouse Union Local 142; Office of Labor Standards Enforcement of the City and County of San Francisco; and the Institute for Women's Policy Research.

Your Committee finds that vacation and sick leave benefits for employees vary from employer to employer. At times, employees must choose between caring for themselves or a family member due to illness and earning income. This measure provides a minimum amount of paid sick and safe leave to allow employees to take care of themselves or their family members. Of particular note, this measure enables victims of domestic violence, sexual assault, or stalking to participate in legal proceedings, receive medical treatment, or obtain other necessary services while maintaining a sense of financial freedom without the fear of being fired due to taking time off from work.

Your Committee notes the testimony in opposition submitted by the Hawaii Restaurant Association and the Chamber of Commerce of Hawaii which indicated this measure will have a negative impact on small businesses due to its "one size fits all" approach. This broad approach hinders an employer's flexibility in providing paid leave benefits and results in additional direct and indirect costs. Small businesses with fewer than ten employees who do not typically provide paid time off will need to give up to five days off to their employees under this measure. As a result, an already financially struggling small business may need to choose between providing paid leave benefits to their employees or closing down. Thus, the "one size fits all" approach may not be best suited for different industries with varying workforce needs.

As such, your Committee has amended this measure by:

- (1) Adopting the suggestion made by the Department of Labor and Industrial Relations to place the contents of this measure into a new chapter of the Hawaii Revised Statutes, rather than as a new part to the family leave laws;
- (2) Inserting an effective date of July 1, 2050, to ensure 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. 2507, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2507, 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. 2303 Economic Development and Technology on S.B. No. 3047

The purpose and intent of this measure is to:

- (1) Amend computer fraud statutes to capture a broader range of crimes committed through the use of a computer, computer system, or computer network, and increase penalties for all degrees of computer fraud;
- (2) Allow protective orders for harassment committed through the use of a computer, computer system, or computer network; and
- (3) Establish the crime of prohibited web design to prohibit certain acts by web designers or developers.

Prior to the hearing, your Committee made available a proposed S.D. 1, which would have established the offense of cybersquatting as a misdemeanor.

Your Committee received testimony in support of the proposed S.D. 1, from the University of Hawaii System. Your Committee received testimony in opposition to the proposed S.D. 1, from the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that the proposed S.D. 1, would have addressed a situation recently experienced by the University of Hawaii in which an internet domain based on the University's institutional name was registered, put up for auction, and eventually used to purvey pornography. Subsequently, the University of Hawaii was successful in persuading the perpetrator to shut down the web site, and your Committee understands that the University is currently working with the Attorney General to devise solutions to deal with any such situations in the future.

Your Committee further finds that the provisions in S.B. No. 3047, as introduced, which amended computer fraud statutes to capture a broader range of crimes committed through the use of a computer, computer system, or computer network, and increase penalties for all degrees of computer fraud, would provide much needed updates to Hawaii's computer fraud statutes. Law enforcement agencies have expressed concerns that existing laws are too narrow to address the majority of activities thought of as computer fraud, effectively stopping prosecution of these crimes.

Your Committee has amended this measure accordingly, by:

- (1) Retaining the provisions in part I of S.B. No. 3047, as introduced, relating to amendments to the State's computer fraud statutes;
- (2) Deleting the provisions that would have allowed protective orders for harassment committed through the use of a computer, computer system, or computer network;
- (3) Deleting establishment of the crime of prohibited web design;
- (4) Changing the effective date to July 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 Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3047, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3047, 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 (Solomon, Slom).

SCRep. 2304 (Joint/Majority) Water, Land, and Housing and Agriculture on S.B. No. 2378

The purpose and intent of this measure is to restrict the entities that may apply for and be granted funding, and dispose of lands purchased with the funding, under chapter 173A, Hawaii Revised Statutes, the legacy land program, to the Department of Land and Natural Resources, Department of Agriculture, Agribusiness Development Corporation, and Public Land Development Corporation and to allow the acquisition of lands under the legacy land program for regulatory functions of the State.

Your Committees received testimony in support of this measure from the Agribusiness Development Corporation and Hawaii Farm Bureau Federation. Your Committees received testimony in opposition to this measure from the Office of Hawaiian Affairs, The Trust for Public Land, The Nature Conservancy, Maika'i Kamakani 'O Kohala, Inc., Moloka'i Land Trust, Hawaiian Islands Land Trust, Kamakani O Kohala Ohana, North Shore Community Land Trust, Conservation Council for Hawai'i, North Kohala Community Access Group, and sixteen private individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources and Department of Agriculture.

Your Committees find that the original intent of the legacy land program was to assist private land owners in the purchase of development rights to help retain their agricultural or conservation lands. Furthermore, the program was to be used as a means to increase support and resources from the many conservation partners in the State. Through these public-private partnerships, the State would be able to broaden community support, landowner commitment, and acquire matching federal, county, and private funding where the state agencies alone would not have been able to qualify.

Accordingly, limiting the eligible applicants for funding under the program to only the Department of Land and Natural Resources, Department of Agriculture, Agribusiness Development Corporation, and Public Land Development Corporation would jeopardize the receipt of additional funding needed for worthy projects. However, your Committees are concerned with regard to the proper oversight of the program and find that it is important to ensure that legacy land is preserved for its intended purpose in the long term.

Therefore, your Committees have amended this measure by:

- (1) Deleting the restriction that only the Department of Land and Natural Resources, Department of Agriculture, Agribusiness Development Corporation, and Public Land Development Corporation may apply for funds;
- (2) Requiring nonprofit land conservation organizations to provide, in addition to a conservation easement, a deed restriction or covenant, as a condition to the receipt of funds under the legacy land program;
- (3) Requiring the Board of Land and Natural Resources to be made a full or partial owner of a conservation easement as a prerequisite to a state or county agency receiving funds;
- (4) Authorizing the Board of Land and Natural Resources to exempt the easement requirement as necessary;
- (5) Requiring applicants to submit with an application the project's public benefits and results of a consultation with the staff of the Department of Land and Natural Resources, Department of Agriculture, Agribusiness Development Corporation, and Public Land Development Corporation; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on 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. 2378, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2378, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8, Ayes with Reservations (Slom). Noes, 1 (Ryan). Excused, 3 (Chun Oakland, Fukunaga, Tokuda).

SCRep. 2305 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.B. No. 2369

The purpose and intent of this measure is to require all public landscaping, highway beautification, and road projects developed to incorporate native Hawaiian plants and, when possible, to use plants on the island on which the species originated.

Your Committees received testimony in support of this measure from City and County of Honolulu Department of Design and Construction, Sierra Club, Aloha Arborist Association, Conservation Council for Hawaii, Coordinating Group on Alien Pest Species, and sixteen private individuals. Your Committees received testimony in opposition of this measure from the City and County of Honolulu Department of Budget and Finance, Irrigation Hawaii Limited, and four private citizens. Your Committees received comments on this measure from the Department of Land and Natural Resources, Landscape Industry Council of Hawaii, The Outdoor Circle, Rubber Stamp Plantation, Vetiver Systems Hawaii, and a private individual.

Your Committees find that Hawaii is known as the endangered species capital of the world with hundreds of plants and animals listed as endangered species or threatened species. As an island state, Hawaii possesses a unique beauty due to its native land plants, but we are losing species at an unprecedented rate. Your Committees find that it is important to continue the growth of these rare plants that are a part of our environment and culture and which are not found in other regions of the world.

Your Committees further recognize that during these harsh economic times, it is important to ensure the greatest value for taxpayer dollars. Accordingly, your Committees have amended this measure by:

- (1) Prohibiting the collection and redistribution of wild plants for use in any project;
- (2) Deleting the signage requirements;
- (3) Requiring the Department of Land and Natural Resources to develop a list of appropriate plants to use for each island;
- (4) Creating an exemption from the use of plants on the list when there is a lack of available cultivated native Hawaiian plants; and
- (5) Deleting the public landscaping project percentage requirement for native Hawaiian land plants.

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. 2369, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2369, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Tokuda).

SCRep. 2306 (Joint/Majority) Water, Land, and Housing and Energy and Environment on S.B. No. 3013

The purpose and intent of this measure is to establish a carbon credits program in the Department of Land and Natural Resources and require the Department to adopt rules for the sale and transfer of carbon credits among public and private agencies to ensure land conservation and reduced carbon emission standards.

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 Life of the Land. Your Committees received comments on this measure from one individual.

Your Committees find that global warming has put Hawaii in a dangerous position that increases the State's dependence on fossil fuels and has been causing noticeable changes to our environment. Being a secluded island state, one of Hawaii's priorities should be to focus on promoting programs that reduce carbon emissions and protect our environment.

Your Committees further find that the buying and selling of carbon credits has gained success in Europe. Through this mechanism, businesses are incentivized to adopt environmentally friendly measures that reduce carbon emissions. However, your Committees find that a Hawaii program based on this model should have a narrower focus on the State's immediate needs regarding forests and watersheds.

Accordingly, your Committees have deleted the contents of this measure and adopted the Department of Land and Natural Resources' (DLNR) suggested draft, which:

- (1) Adds a new purpose section to appropriately reflect the new language of the measure;
- (2) Requires DLNR to establish a forest carbon offsets program, which allows the creation of forest carbon offsets that can be transferred or sold among public and private agencies in the State to guarantee sustainable management of Hawaii's natural resources and reduce carbon emissions;
- (3) Requires DLNR to set standards, develop processes, and adopt rules to implement the forest carbon offsets program and ensure that the forest management activities performed pursuant to the program meet certain criteria; and
- (4) Requires the Board of Land and Natural Resources to establish processing fees for the identification of sustainable forest carbon offsets, to be deposited into the forest stewardship fund.

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. 3013, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3013, 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). Noes, 1 (Slom). Excused, 2 (Shimabukuro, Solomon).

SCRep. 2307 (Joint) Energy and Environment and Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing on S.B. No. 2290

The purpose and intent of this measure is to incorporate provisions based on the latest edition of the International Green Construction Code in the state building code.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, International Code Council, The Asia-Pacific Center for Regenerative Design, Hawaii Laborers' Union, and two individuals. Your Committees received testimony in opposition to this measure from the Department of Accounting and General Services, Building Industry Association of Hawaii, Plumbing and Mechanical Contractors Association of Hawaii, RMA Sales, General Contractors Association of Hawaii, and Hawaii Steel Alliance. Your Committees received comments on this measure from the Hawaii Farm Bureau Federation, International Association of Plumbing and Mechanical Officials, and The Plumber and Fitters Union, Local 675.

Your Committees find that the state building code protects the health, safety, and welfare of the people as it relates to the residential and commercial built environment. The International Green Construction Code applies only to commercial buildings, including hotels, and does not apply to residential or agricultural buildings. This measure will empower Hawaii's builders, designers, and engineers, to incorporate green materials and design into their work and result in developments that transform Hawaii's commercial built environment.

Your Committees further find that International Green Construction Code provisions and International Green Construction Code Water Efficiency Provisions should be implemented within our State at the discretion of the State Building Code Council.

Your Committees have amended this measure by:

- (1) Adding language requiring the state building code to include code provisions based on the latest edition of the International Green Construction Code Water Efficiency Provisions; and
- (2) Adding language clarifying that the State Building Code Council may exercise discretion in including code provisions from the International Green Construction Code and International Green Construction Code Water Efficiency Provisions.

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 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. 2290, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2290, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 13, Ayes with Reservations (Tokuda, Slom). Noes, none. Excused, 1 (Shimabukuro).

SCRep. 2308 Human Services on S.B. No. 3036

The purpose and intent of this measure is to specify that group health insurance plans shall provide dependent coverage for natural grandchildren adopted by plan participants or beneficiaries.

Your Committee received comments on this measure from the Insurance Division of the Department of Commerce and Consumer Affairs and HMSA.

Your Committee finds that grandparent caregivers may have difficulty finding health insurance coverage for their grandchildren. Grandparents in the paid work force that have employer-provided group insurance still face problems securing health insurance for their grandchildren because employer-provided group health insurance is generally available for children in kinship care arrangements.

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. 3036, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3036, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Slom).

SCRep. 2309 Human Services on S.B. No. 2592

The purpose and intent of this measure is to create a universal children's savings account program under the Department of Budget and Finance.

Your Committee received testimony in support of this measure from the Hawai'i Alliance for Community-Based Economic Development, Kewalo Hawaiian Homestead Community Association, and Sovereign Councils of the Hawaiian Homelands Assembly. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that universal children's savings accounts are part of a broader asset building agenda that seeks to foster financial independence and self-sufficiency for Hawaii's youth and families. It provides individuals with tangible incentives to save and helps individuals gain financial success.

Your Committee notes that according to the Department of Budget and Finance's testimony, this measure, as it is currently drafted, raises concerns including the following:

- (1) The future liability to the State to fund the program as a permanent recurring expense;
- (2) The Department of Budget and Finance's ability to embark on a program of this magnitude without additional resources in staffing and costs for the initial establishment and ongoing operation of a program; and
- (3) The potential difficulty in attracting a third-party administrator for a Hawaii resident-based program due to the limited group of potential participants.

Your Committee has therefore amended this measure by:

- (1) Extending the effective date to July 1, 2014, to provide additional time so that a universal children's savings account program can be properly developed; 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. 2592, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2592, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Slom).

SCRep. 2310 Health on S.B. No. 2087

The purpose and intent of this measure is to require health plans that provide coverage for cancer chemotherapy treatment to establish limits on out-of-pocket costs for cancer medications, including nongeneric, oral chemotherapy.

Your Committee received testimony in support of this measure from Hawaii Medical Association, HMSA, American Cancer Society, Hawaii Public Health Association, and three individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Kaiser Permanente.

Your Committee finds that the cost of cancer medications is a pressing issue, with the American Cancer Society estimating that one in five cancer patients use up all or most of their savings to pay for treatment. Your Committee further finds that oral chemotherapy makes cancer treatment less burdensome in terms of the time and commute required for individuals, especially those who do not reside on Oahu, to receive treatment.

Your Committee has amended this measure by adopting language provided by Kaiser Permanente that:

- (1) Specifies that the copayment percentage or relative coinsurance amount for oral chemotherapy drugs may be lower than the amount charged for intravenously administered chemotherapy;
- (2) Specifies that generic oral chemotherapy drugs shall also be covered by individual and group hospital and medical service plan policies and contracts; and
- (3) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2087, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 2311 Health on S.B. No. 2229

The purpose and intent of this measure is to enact a recommendation made by the immunizations task force to allow pharmacists to administer the influenza vaccine to persons between fourteen and seventeen years of age under certain conditions.

Your Committee received testimony in support of this measure from the Department of Health, Ohana Health Plan, Walgreens, Times Supermarkets, Safeway, and HMSA. Your Committee received testimony in opposition to this measure from Foodland Supermarkets, Ltd. Your Committee received comments on this measure from the Board of Pharmacy.

Your Committee finds that this measure will increase access by minors to influenza vaccinations. Your Committee also finds that a license with a longer validation period may lighten the burden for pharmacists authorized to administer influenza vaccines to minors, as such pharmacists must complete additional requirements, including additional educational requirements.

Your Committee has amended this measure by:

- (1) Inserting language to require that pharmacists who administer the influenza vaccine to persons between fourteen to seventeen years of age shall renew the license that authorizes them to do so every four years;
- (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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2229, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 2312 Health on S.B. No. 2425

The purpose and intent of this measure is to require that for a place of employment where cigarettes or tobacco products are sold or offered for sale, with exceptions permitted for retail tobacco stores, bars, or establishments where the minimum age for admission is eighteen:

- (1) Cigarettes and tobacco products shall be stored for sale behind a counter;
- (2) Advertisements that promote or encourage the purchase or use of cigarettes or tobacco products shall be placed twenty-five feet away from children's products or toys or where cookies, candy, ice cream, gum, or snacks are sold; and
- (3) Advertisements that promote or encourage the purchase or use of cigarettes or tobacco products shall be placed at least four feet from the floor.

Your Committee received testimony in support of this measure from the Honolulu Police Department, Coalition for a Tobacco-Free Hawaii, Hawaii COPD Coalition, American Cancer Society, American Heart Association, thirty-five representatives of REAL: Hawaii Youth Movement Exposing the Tobacco Industry (representatives also presented a petition with one thousand three hundred signatures), and sixty-two individuals. Your Committee received testimony in opposition to this measure from the Department of the Attorney General, Hawaii Food Industry Association, ABC Stores, and three individuals. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that there is a causal relationship between tobacco advertising and promotion and increased tobacco use and that retail venues have become the primary medium for the tobacco industry's marketing efforts. Your Committee further finds that smaller stores are more likely to have tobacco advertisements at the eye level of children or near youth-oriented products and snacks and that frequent visits to stores selling and advertising tobacco increases the likelihood of teenagers being susceptible to start smoking.

Your Committee has amended this measure by:

- (1) Specifying that for establishments less than one thousand square feet, advertisements promoting tobacco must be at least ten feet away from certain items whereas for establishments equal to or greater than one thousand square feet, advertisements promoting tobacco must be at least twenty-five feet away from certain items; and
- (2) Substituting the term "place of employment" with the term "establishment" as a technical amendment to more accurately describe the stores and other sites that were intended to be covered under 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. 2425, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2425, S.D. 1, and be referred to the Committee on Economic Development and Technology.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Nishihara, Slom).

SCRep. 2313 Human Services on S.B. No. 2179

The purpose and intent of this measure is to require and appropriate funds to the Department of Taxation to coordinate an outreach initiative to increase awareness and use of the federal earned income tax credit.

Your Committee received testimony in support of this measure from the Department of Human Services; the Hawaii State Commission on the Status of Women; the Association of Hawaiian Civic Clubs; the Hawai'i Alliance for Community-Based Economic Development; the Office of Hawaiian Affairs; the Women's Caucus, Democratic Party of Hawai'i; and one individual. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the federal earned income tax credit is considered one of the nation's largest and most successful anti-poverty and work incentive programs. Your Committee also finds that although the federal earned income tax credit is widely known to reduce poverty with 104,000 families taking advantage of the federal earned income tax credit, another 19,000 families could claim the credit if they were aware of the program and their eligibility. It is estimated that Hawaii workers fail to claim between \$31,299,580 and \$41,732,301 in federal earned income tax credit benefits annually. This measure will require the Department of Taxation to conduct an outreach initiative to educate families on the federal earned income tax credit and to appropriate funds to the Department to carry out the initiative.

Your Committee further finds that the Volunteer Income Tax Assistance Program offers free tax help to persons earning \$50,000 or less, who need assistance preparing their taxes and provides free basic income tax return preparation to qualified individuals in local communities. Therefore, your Committee requests the Department of Taxation to partner with the Volunteer Income Tax Assistance Program to carry out the outreach initiative.

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. 2179 and recommends that 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. 2314 Human Services on S.B. No. 2804

The purpose and intent of this measure is to:

- (1) Establish the Hawaii Interagency Council on Homelessness to be administratively placed within the Department of Human Services; and
- (2) Appropriate funds to the Department of Human Services for administrative expenses of the Council.

Your Committee received testimony in support of this measure from the Coordinator on Homelessness, Office of the Governor; the Office of Veterans Services, Department of Defense; the Department of Health; the Department of Human Services; the Office of Housing and Community Development, County of Hawai'i; Catholic Charities Hawai'i; the Hawai'i Association of Realtors; the Hawaii Substance Abuse Coalition; the Hawaii Youth Services Network; the Office of Hawaiian Affairs; Partners in Care; and three individuals.

Your Committee finds that establishing the Hawaii Interagency Council on Homelessness in the Hawaii Revised Statutes will further enhance the State's ability to provide effective and meaningful approaches and solutions to address homelessness in Hawaii. Your Committee also finds that having a council membership that represents a wide cross section of the community, including representatives from the government, the business community, the faith-based community, and social services, will provide the necessary perspective and expertise that the interagency council needs to develop overall strategies to prevent and end homelessness.

Your Committee notes that the applicability of the Sunshine Law, chapter 92, Hawaii Revised Statutes, to the interagency council may cause ethical concern.

Your Committee has amended this measure by:

- (1) Adding the Chairperson of the Hawaiian Homes Commission, or designee, to the Hawaii Interagency Council on Homelessness membership;
- (2) Adding language that excludes the members of the Hawaii Interagency Council on Homelessness from the standards of conduct under chapter 84, Hawaii Revised Statutes;
- (3) Inserting an appropriation amount of \$25,000 to be expended by the Department of Human Services for administrative expenses 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2804, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2804, 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. 2315 (Joint) Agriculture and Water, Land, and Housing on S.B. No. 2332

The purpose and intent of this measure is to:

- (1) Exempt producers of agricultural products without access to municipal water from processing the product in a certified food-processing establishment or from obtaining a permit from the Department of Health; and

- (2) Increase the volume of honey a home-based agricultural producer of honey is allowed to produce to remain exempt from processing their honey in a certified honey house or food processing establishment, or from obtaining a permit from the Department of Health.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau Federation 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 Agriculture.

Your Committees find that many honey producers live in rural communities and do not have access to municipal water. Your Committees also find that honey has little impact on human health and that water is generally not added to honey during any stage of production. However, existing law requires honey producers to have access to municipal water.

Your Committees have amended this measure by:

- (1) Limiting the exceptions provided in this measure to honey producers and deleting provisions relating to agricultural products;
- (2) Requiring producers of raw unprocessed or processed honey to:
 - (A) Comply with rules adopted by the Department of Health to protect the health and safety of the public;
 - (B) Use water that has been treated to meet or exceed state and federal drinking water standards; and
 - (C) Test the water used for processing honey no less than once a month, maintain water quality records for a period of no less than two years, and make those records available to the Department of Health upon request; and
- (3) Requiring home-based agricultural producers of honey to label each container of honey sold with the statement "This honey was not produced or packaged in a Department inspected facility." in clear and conspicuous print.

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. 2332, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2332, S.D. 1, and be referred to the Committee on Health.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Chun Oakland, Fukunaga, Tokuda).

SCRep. 2316 (Joint) Hawaiian Affairs and Education on S.B. No. 3071

The purpose and intent of this measure is to appropriate funds for three permanent faculty positions and operating expenses for Ho'okulaiwi: 'Aha Ho'ona'auao 'Oiwī within the University of Hawaii at Manoa.

Your Committees received testimony in support of this measure from the Hawai'i Educational Policy Center, Sovereign Councils of the Hawaiian Homelands Assembly, Ho'okulaiwi Center for Native Hawaiian and Indigenous Education, Aupuni o Hawaii, and thirty-nine individuals. Your Committees received comments on this measure from the Office of Hawaiian Affairs and Department of Education.

Your Committees find that the underrepresentation of qualified native Hawaiian teachers in Hawaii's public schools negatively impacts native Hawaiian students. Ho'okulaiwi has initiated programs on the Leeward Coast of Oahu and on Niihau that provide training for teachers in the affected areas. Ho'okulaiwi seeks to expand its initiative by creating one additional teaching cohort to train teachers on the Leeward Coast and the island of Molokai. The Office of Hawaiian Affairs has allocated grant funding to Ho'okulaiwi for a two-year period.

Your Committees have amended this measure by:

- (1) Inserting additional language suggested by the Department of Education in the purpose section to acknowledge other components in the curricula of Hawaii's public schools;
- (2) Deleting language conditioning the expenditure of appropriated funds on the Office of Hawaiian Affairs' matching funds;
- (3) Changing the effective date to July 1, 2050, to ensure further discussion; 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 Hawaiian Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3071, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3071, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Hee, Solomon, Taniguchi, Slom).

SCRep. 2317 (Joint/Majority) Energy and Environment and Economic Development and Technology and Agriculture on S.B. No. 2512

The purpose and intent of this measure is to:

- (1) Increase the amount of the allocation from the state environmental response, energy, and food security tax to the energy security special fund and the agricultural development and food security special fund;
- (2) Continue the existence of the Hawaii economic development task force by two years through June 2014, and rename it the Hawaii food and energy security council;

- (3) Make permanent the amendments to the state environmental response, energy, and food security tax enacted by Act 73, Session Laws of Hawaii 2010; and
- (4) Raise the spending limits imposed on the Department of Business, Economic Development, and Tourism's Energy Office and the Department of Agriculture.

Your Committees received testimony in support of this measure from The Nature Conservancy, Blue Planet Foundation, Hawaii Farm Bureau Federation, and one individual. Your Committees received comments on this measure from the Department of Budget and Finance, Department of Agriculture, Department of Taxation, and Tax Foundation of Hawaii.

Your Committees find that the Legislature must increase Hawaii's food and energy independence to reverse the annual export of more than \$8,000,000,000 from the State of Hawaii for food and energy. In its final report to the Legislature, the Hawaii economic development task force recommended increasing investment in energy security and agricultural development, continuing the work of the task force through June 2014, and raising the spending limits imposed on the State Energy Office and the Department of Agriculture. Your Committees believe that these recommendations can assist the State in charting a course toward increased food and energy security and ensuring the economic well-being of future generations within our State.

Your Committees have amended this measure by:

- (1) Specifying that the state environmental response, energy, and food security tax shall be \$1.05 on each barrel or fractional part of a barrel of petroleum product;
- (2) Extending the repeal date of certain amendments to the state environmental response, energy, and food security tax, by two years, to June 30, 2017, rather than making those amendments permanent;
- (3) Changing the effective date to July 1, 2012; provided that section 3 takes effect on June 29, 2012; 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 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. 2512, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2512, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, 1 (Slom). Excused, 5 (Chun Oakland, Dela Cruz, Shimabukuro, Solomon, Tokuda).

SCRep. 2318 (Joint/Majority) Public Safety, Government Operations, and Military Affairs and Health on S.B. No. 2398

The purpose and intent of this measure is to:

- (1) Allow qualified licensed tattoo artists to demonstrate their skills at a tattoo trade show, tattoo convention, or other tattoo-related event, subject to the availability of the proper facilities and equipment necessary to perform their skills or work; and
- (2) Allow the Department of Health to contract with professional testing services to prepare, administer, and grade an out-of-state examination for any applicant for a temporary tattoo license.

Your Committees received testimony in support of this measure from numerous individuals. Testimony in opposition to this measure was received from the Department of Health, Kapu Tattoo Company, and twelve individuals. Comments were received from five individuals.

Your Committees find that this measure is intended to address the possible widespread adverse health effects of the transmission of disease by persons who are not licensed as tattoo artists in this State.

Your Committees have amended this measure by deleting its contents and substituting provisions to:

- (1) Prohibit the sale of tattoo supplies to any person under the age of eighteen years, any person not licensed in Hawaii as a tattoo artist, or any tattoo shop without a permit issued by the Department of Health;
- (2) Beginning January 1, 2013, require every applicant for a tattoo artist license to pass a blood borne pathogen test developed specifically for the tattoo industry and approved by the Director of Health as a prerequisite to licensure, and to require passing the test every four years thereafter in order to continue licensure;
- (3) Condition the granting of a temporary permit for locations other than a permitted tattoo shop for a trade show, product demonstration, or educational demonstration on a prohibition of the conducting of body piercing and body modifications; and
- (4) Establish a tattoo artist task force to review administrative rules relating to the regulation and licensure of tattoo artists with the goal of enhancing regulation.

Your Committees believe that this measure, as amended, addresses the most pressing present concerns about tattoo artists and the tattoo industry.

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. 2398, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2398, 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, Ayes with Reservations (Wakai). Noes, 1 (Slom). Excused, 2 (Ryan, Shimabukuro).

SCRep. 2319 (Joint) Public Safety, Government Operations, and Military Affairs and Education and Economic Development and Technology on S.B. No. 3037

The purpose and intent of this measure is to:

- (1) Establish the Pacific International Space Center for Exploration Systems (Space Center), previously known as the Pacific International Center for Exploration Systems, within the Department of Business, Economic Development, and Tourism;
- (2) Establish the Pacific International Space Center for Exploration Systems Board of Directors, to be appointed by the Governor with the advice and consent of the Senate;
- (3) Transfer the Space Center from the University of Hawaii to the Department of Business, Economic Development, and Tourism's Office of Aerospace Development;
- (4) Authorize the issuance of an unspecified amount of general obligation bonds to finance construction of the Space Center's aerospace research technology park project; and
- (5) Make an unspecified appropriation out of general revenues to construct the Space Center's aerospace research technology park project.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawai'i System; and Honolulu Department of Budget and Fiscal Services. Comments were received from the Department of Human Resources Development. Testimony in opposition was received from one individual.

Your Committees find that the Space Center, including its proposed aerospace research technology park project, is an economic driver for the island of Hawaii that promotes the establishment and growth of new sustainable and green industries, associated jobs, workforce development, internships, and STEM programs. The legislature also finds that the Space Center's aerospace research technology park project will attract investment that will help to leverage costs of expanding the island of Hawaii's broadband capacity.

Your Committees further find there is continued need for the Space Center to work closely with the University of Hawaii, but also recognizes the need for swift and independent decisions and actions in the rapidly evolving aerospace sector to keep Hawaii competitive and attractive to industry partners. This is especially critical with the recent emergence of private commercial space access and a resurgence of global space initiatives. Supporting these initiatives will involve significant private sector investment in the testing, proving, and development of robotics, broadband, energy production, energy storage, recycling, and renewable and sustainable technologies that can have immediate application and use for the Hawaii economy and the general well-being of the State.

Your Committees note that a preliminary cost estimate given in testimony of the Department of Business, Economic Development, and Tourism was \$480,000 per year in operating expenses and \$1,000,000 per year in research and development for the Space Center. However, more information is needed for the purposes of the Committee on Ways and Means.

Your Committees have amended this measure by:

- (1) Changing the effective date to January 1, 2020, to ensure further discussions; 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 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. 3037, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3037, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 2 (Ryan, Solomon).

SCRep. 2320 (Joint) Public Safety, Government Operations, and Military Affairs and Health on S.B. No. 2262

The purpose and intent of this measure is to clarify that the medical use of marijuana is considered to be consistent with the Pain Patient's Bill of Rights, chapter 327H, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from Big Island Chapter of Americans for Safe Access, Drug Policy Forum of Hawaii, and ninety-three individuals. Testimony in opposition to this measure was received from five individuals.

Your Committees find that numerous scientific studies and anecdotal testimonies from chronic pain patients indicate that medical cannabis is a powerful pain medicine without the dangerous side effects of addictive drugs, such as Vicodin and Oxycontin. Another benefit is that medical cannabis allows patients to reduce the amount of prescriptive drugs they need to take to manage pain.

Your Committees have amended this measure by changing the effective date to January 1, 2050, to ensure further discussion.

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. 2262, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2262, 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, 2 (Ryan, Shimabukuro).

SCRep. 2321 Public Safety, Government Operations, and Military Affairs on S.B. No. 226

The purpose and intent of this measure, with regard to the law on street solicitation of prostitution, is to:

- (1) Allow an arresting officer to impound the vehicle of the person soliciting a prostitute if the motor vehicle was used in the commission of the crime and the person arrested is the registered owner of the vehicle or the vehicle is a rental vehicle;
- (2) Require counties to establish ordinances for the impoundment and return of motor vehicles and rental vehicles; and
- (3) Allow counties to enact ordinances to establish reasonable fees for the processing and storage of impounded vehicles.

Your Committee received testimony in support of this measure from Imua Alliance, The Pacific Alliance to Stop Slavery, Equality Now, and three individuals. Testimony in opposition was received from the Honolulu Police Department.

Your Committee finds that this measure is an effective deterrent to the commission of crimes of prostitution when a motor vehicle is used in the course of the solicitation. This measure is aimed at persons who entice prostitutes to commit a sex crime. The disabling of a vehicle would prevent the person from using the vehicle again within a certain amount of time.

Your Committee has amended this measure by:

- (1) Making the measure apply to the crimes of prostitution, promoting prostitution, promoting prostitution in the second degree, street solicitation of prostitution in designated areas, and solicitation of prostitution near schools or public parks;
- (2) Authorizing the use of a wheel boot or wheel clamp instead of storage of the vehicle in a county facility, in consideration of the lack of county storage yards;
- (3) Adding a special fine as a penalty which shall be divided for deposit into the domestic violence and sexual assault special fund for programs and services under the fund as well as to provide counseling to victims of domestic violence or sexual assault, and into the general fund of the county in which the arrest occurred;
- (4) Making a grant-in-aid appropriation to each county to purchase wheel boots or wheel clamps; 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. 226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 226, 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. 2322 (Joint) Public Safety, Government Operations, and Military Affairs and Health on S.B. No. 2681

The purpose and intent of this measure is to allow for the transfer of persons committed to the custody of the Director of Health to correctional facilities, under certain conditions.

Your Committees received testimony in support of this measure from the Department of Health and Department of Public Safety. Comments were received from one individual.

Your Committees find that this measure provides a mechanism to transfer an individual, who has been committed by the court to the Director of Health as being unfit to proceed, to a setting controlled by the Director of Public Safety in those instances when the individual no longer needs an inpatient level of clinical care but continues to require strict security, and is not appropriate for release into the community.

Your Committees have amended this measure on the recommendation of the Department of Health by deleting its contents and substituting language to ensure that this measure, as amended, is consistent with the Department of Public Safety's goals and provides a mechanism for the coordination of care prior to a court-ordered transfer of the defendant from a health facility to a correctional facility.

As amended, this measure is an effective mechanism to arrange for the transfer of individuals who need strict security to another, more appropriate setting. Under this mechanism, the court of original jurisdiction makes the determination to order the transfer. Your Committees find that this is an important step in improving the continuum of services and supports for the defendant.

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. 2681, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2681, 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 (Ryan, Shimabukuro).

SCRep. 2323 (Joint/Majority) Health and Commerce and Consumer Protection on S.B. No. 2631

The purpose and intent of this measure is to ensure the provision of quality health care procedures for all Hawaii residents by requiring coverage of and treatment for autism spectrum disorders.

Your Committees received testimony in support of this measure from Autism Speaks and eight individuals. Your Committees received testimony in opposition to this measure from HMSA and Kaiser Permanente. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs and AFLAC.

Your Committees find that autism is increasing in prevalence and that early and intensive treatment efforts, especially applied behavior analysis, may prevent an individual from becoming a lifelong ward of the State. Your Committees further find that such

treatment poses a huge financial burden for families and as this treatment is not covered by health insurers, out-of-pocket costs may be upwards of \$50,000 per year. Consequently, those who cannot afford such costs cannot access critical treatment.

Your Committees also find that even though the cost of insurance may increase as a result of this measure, the assistance provided to families in need, the ability of those with an autism spectrum disorder to live a more productive life, and the long-term savings to the State as a result of positive treatment outcomes far outweigh the short-term costs. Testimony submitted by Autism Speaks refers to a Harvard School of Public Health Study which estimates that over the course of a lifetime, an individual with an autism spectrum disorder who is also a ward of the state will cost the state approximately \$3,200,000.

Lastly, your Committees find that amending the language to appropriately reflect the nuances of insurance-related terminology will best allow the people of the State to benefit from the provisions of this measure.

Your Committees have amended this measure by:

- (1) Amending the new language added to chapter 431:10A, Hawaii Revised Statutes, in section 1 to appropriately reference accident and health or sickness insurance policies and insurers;
- (2) Specifying that all accident and health or sickness insurance policies shall provide to covered individuals coverage for the well-baby and well-child screening;
- (3) Providing that the benefit for behavioral health treatment under chapters 431:10A and 432:1, Hawaii Revised Statutes, may be capped at \$50,000 per year or \$300,000 for the lifetime of the individual;
- (4) Specifying that payments made on behalf of a covered individual for any care, treatment, intervention, service, or item other than behavioral health treatment shall not be applied toward any minimum, rather than not being applied toward the maximum, benefit for behavioral health treatment;
- (5) Requiring coverage for applied behavioral analysis services under chapters 431:10A and 432:1, Hawaii Revised Statutes, only when the services are provided or supervised by a board-certified behavioral analyst or by an appropriately trained licensed psychologist, with reimbursements also to be provided for the therapists working under the supervision of the board-certified behavioral analyst or licensed psychologist;
- (6) Changing from January 1, 2015, to January 1, 2014, the date as of which benefits under this measure that exceed the essential health benefits under the Patient Protection and Affordable Care Act shall not be required of a health plan offered through the Hawaii Health Connector;
- (7) Deleting the definitions for “autism service provider” and “health insurance policy”;
- (8) Removing “guidance services” from the types of covered behavioral health treatment;
- (9) Removing psychiatrists from the group of service providers who may provide covered treatment for an autism spectrum disorder and including “related equipment” as one of the covered elements for this same treatment;
- (10) Amending the new language added to chapter 432:1, Hawaii Revised Statutes, in section 3 to appropriately reference individual and group hospital or medical service plans, policies, contracts, or agreements;
- (11) Specifying that for mutual benefit societies:
 - (A) Coverage for treatment under this measure shall not be denied on the basis that the treatment is habilitative or non-restorative in nature;
 - (B) Except for inpatient services, if an individual is receiving treatment for an autism spectrum disorder, an insurer may request a review of that treatment not more than once every twelve months, with the cost of obtaining any review borne by the insurer;
 - (C) The mandatory coverage under this measure shall not be construed as reducing any obligation to provide services to an individual under an individualized family service plan, an individualized education program, or an individualized service plan; and
- (12) 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. 2631, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2631, 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 (Nishihara, Solomon). Noes, 1 (Slom). Excused, 3 (Galuteria, Shimabukuro, Wakai).

SCRep. 2324 Health on S.B. No. 2085

The purpose and intent of this measure is to require the Hawaii Health Insurance Exchange to offer a basic health plan and, in regard to the Exchange’s Board of Directors, to:

- (1) Clearly define the consumer;
- (2) Strengthen statewide consumer and business representation; and
- (3) Address conflicts of interest by prohibiting health plans from being members.

Your Committee received testimony in support of this measure from Ohana Health Plan; Waikiki Health Center; Bay Clinic, Inc.; Molokai Community Health Center; Lanai Community Health Center; AlohaCare; and three individuals. Your Committee received testimony in opposition to this measure from HMSA and Hawaii Dental Service. Your Committee received comments on this measure from the Office of the Governor, Hawaii Health Connector, and the Healthcare Association of Hawaii.

Your Committee finds that the continued membership of health insurers and dental benefit providers in the Board will provide valuable perspectives regarding health care. Your Committee also notes that the federal rules regarding the composition of the Board of Directors may be examined going forward.

Your Committee has amended this measure by:

- (1) Amending the definition of "consumer" to conform to language provided by the Office of the Governor;
- (2) Requiring the basic health plan to be offered by the Exchange to be available on or before January 1, 2015, rather than January 1, 2014;
- (3) Reinstating insurers and dental benefit providers to the Board;
- (4) Adding a consumer to the interim Board; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2085, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2085, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 2325 (Majority) Education on S.B. No. 2994

The purpose and intent of this measure is to require the State Librarian to issue licenses, revocable permits, concessions, or rights of entry, for a discretionary period, to the Friends of the Library of Hawaii and any 501(c)(3) corporations that exist for the purpose of supporting a library within the Hawaii State Public Library System.

Your Committee received testimony in support of this measure from the Kuli'ou'ou/Kalani Iki Neighborhood Board #2 and one hundred thirty-one individuals. Your Committee received testimony in opposition to this measure from the Hawaii State Public Library System, Friends of the Library of Hawai'i; Friends of the Libraries, Kona; and fourteen individuals.

Your Committee finds that under existing law, the State Librarian may issue licenses, revocable permits, concessions, and rights of entry to only two entities: the Hawaii State Library Foundation and Friends of the Library of Hawaii. Your Committee is concerned that allowing exclusive use of state facilities creates a special privilege for specific private entities even though other private entities may be able to provide an equal or greater benefit to the Hawaii State Public Library System if given an equal opportunity to participate. In addition, your Committee believes that the original intent of the existing law was not to create exclusive-use privileges but rather to encourage greater private-public partnerships to benefit the Hawaii State Library System.

Your Committee has amended this measure by:

- (1) Amending language to require the head librarian of each branch, rather than the State Librarian, to issue the licenses, revocable permits, concessions or rights of entry for that library's facilities and grounds; provided that the head librarian shall obtain the prior approval of the State Librarian;
- (2) Changing the effective date to June 1, 2030, to ensure 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2994, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2994, 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, 1 (Nishihara). Excused, none.

SCRep. 2326 (Majority) Education on S.B. No. 2348

The purpose and intent of this measure is to repeal the state educational facilities improvement special fund effective July 1, 2013, and provide that any funds remaining in the state educational facilities improvement special fund or lease payment for schools account shall lapse to the general fund on July 1, 2014.

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 Department of Education. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the state educational facilities improvement special fund was first established pursuant to Act 368, Session Laws of Hawaii 1989. Over the years, capital improvement projects for Department of Education facilities have generally been authorized and funded with state educational facilities improvement special fund monies, which are then supported through general obligation bond funds.

While your Committee recognizes the opposing concerns raised by the Department of Education and the Department of Budget and Finance, your Committee encourages further discussion on the necessity of retaining the state educational facilities improvement special fund.

Your Committee has amended this measure by:

- (1) Reinstating the state educational facilities improvement special fund;
- (2) Requiring the budget and supplemental budget submitted pursuant to sections 37-71 and 37-72, Hawaii Revised Statutes, to include financial requirements for general funds or general obligation bond funds for projects authorized by the state educational facilities improvement special fund; and
- (3) Changing the effective date to July 1, 2050, to ensure further discussion.

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. 2348, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2348, S.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 (Taniguchi). Excused, 1 (Nishihara).

SCRep. 2327 (Majority) Education on S.B. No. 2349

The purpose and intent of this measure is to propose an amendment to the Constitution of the State of Hawaii that would repeal the state educational facilities improvement special fund's exemption from the requirement that appropriated monies be lapsed after three years.

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 Department of Education.

Your Committee finds that S.B. No. 2348, Regular Session of 2012 (S.B. No. 2348), proposes to repeal the state educational facilities improvement special fund. The constitutional amendment proposed in this measure is necessary for housekeeping purposes in the event the state educational facilities improvement special fund is repealed. Your Committee encourages further discussion on this measure and S.B. No. 2348, as both measures progress through the legislature.

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. 2349 and recommends that it pass Second Reading and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Taniguchi). Excused, none.

SCRep. 2328 Education on S.B. No. 2483

The purpose and intent of this measure is to require:

- (1) Every public school, charter school, private school, and the University of Hawaii to have one or more fully automated external defibrillators (AED) on the site of every sporting event; and
- (2) Every trainer and teachers at each public, charter, and private school to be trained and certified on the use of AED's.

Your Committee received testimony in support of this measure from the American Heart Association, American Red Cross, and Hawaii Association of Athletic Trainers. Your Committee received testimony in opposition to this measure from the Hawaii Educational Policy Center. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that AED's are an important tool in responding to emergency situations. In addition, your Committee finds that AED's have been used on several occasions over the past few years to save the lives of student athletes, athletic coaches, and spectators of sporting events. Your Committee recognizes the concerns raised by several of the testifiers but believes further discussion on this measure is warranted.

Your Committee has amended this measure by:

- (1) Deleting the requirement that every public school, charter school, private school, and the University of Hawaii have an AED on site at every sporting event;
- (2) Requiring that by the end of the 2013-2014 school year:
 - (A) Every public school, charter school, and the University of Hawaii shall have an AED situated at a permanent location on campus;
 - (B) Public schools and charter schools that have an athletic trainer, as well as the University of Hawaii, shall have an additional AED available at all sporting events and an athletic trainer who is trained and certified at all times in the use of AED's; and
 - (C) Public schools and charter schools that do not have an athletic trainer shall have at least two faculty members present at every sporting event who are trained and certified at all times in the use of AED's;
- (3) Clarifying that each charter school, rather than the Department of Education, shall ensure that the charter school's AED is:
 - (A) Maintained and regularly tested; and

- (B) Checked for readiness after each use and at least once every thirty days;
- (4) Removing the requirement that all public school and charter school teachers shall be trained and certified at all times in the use of AED's;
 - (5) Defining the term "sporting event" to include competitions, scrimmages, and practices;
 - (6) Defining the term "public school" to include elementary, middle, and high schools;
 - (7) Clarifying that the term "trainer" means an "athletic trainer";
 - (8) Removing all other AED requirements for private schools; and
 - (9) Requiring the Department of Education to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013 on its inventory of AED's and whether the Department requires additional funding to acquire the appropriate number of AED's to meet the requirements 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. 2483, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2483, 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 (Nishihara).

SCRep. 2329 (Joint) Education and Economic Development and Technology on S.B. No. 2528

The purpose and intent of this measure is to transfer the Hawaii 3Ts school technology laboratories fund from the Department of Education to the Department of Business, Economic Development, and Tourism.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Kaua'i Economic Development Board, Inc.; Maui Economic Development Board, Inc.; and four individuals.

Your Committees find that the Hawaii 3Ts school technology laboratories fund will be more appropriately placed within the Department of Business, Economic Development, and Tourism, rather than the Department of Education. Your Committees further find that the Economic Development Alliance of Hawaii, Inc. (EDAH) has successfully funded a number of projects that support the State's commitment to providing broadband and technological resources to give Hawaii a competitive advantage in the twenty-first century.

Your Committees have amended this measure by:

- (1) Removing the requirement that EDAH obtain approval from the Director of Business, Economic Development, and Tourism for all proposals for which EDAH intends to provide funding;
- (2) Clarifying that all proposals approved by the Hawaii 3Ts School Technology Laboratories board and for which EDAH intends to provide funding and contracts awarded by EDAH shall be made under as much competition as practical to execute the purposes of the proposals and contracts;
- (3) Amending the definition of "school technology laboratory" so that it refers to a multi-platform and multi-disciplinary laboratory, rather than a multi-station computer laboratory, that offers students a variety of different types of hardware and software applications; and
- (4) Requiring EDAH, as part of its annual report to the Department of Business, Economic Development, and Tourism, to include a summary of the accomplishments and student outcomes of the Hawaii 3Ts school technology laboratories fund.

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. 2528, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2528, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, none.

SCRep. 2330 Education on S.B. No. 2535

The purpose and intent of this measure is to:

- (1) Require the Department of Education to devise four bell schedules for each grade level to standardize instructional periods across all schools, with the exception of charter schools and multi-track schools; and
- (2) Require each school to choose and implement one of the available bell schedules for each grade level beginning no later than the 2014-2015 school year.

Your Committee received testimony in support of this measure from the Department of Education, Hui for Excellence in Education, and two individuals. Your Committee received testimony in opposition to this measure from the Hawaii State Teachers Association, IMUAlliance, and sixty-five individuals. Your Committee received comments on this measure from two individuals.

Your Committee finds that there are a number of individual bell schedules that schools have developed and implemented, and while this empowers decision making at the school community level, it has made establishing a base level of instructional time for all students difficult. This measure will allow for equitable instructional time across all schools while providing each school with a certain

amount of flexibility and continuing the discussion of how to best quantify instructional time and increase student access to opportunities where learning takes place.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of Education shall devise four bell schedule options for elementary, middle, and high schools, rather than for each grade level; and
- (2) Amending the definition of “student instructional hours” to mean:
 - (A) Student learning time in elementary schools during which students are engaged in learning activities, including regularly scheduled instruction, project-based learning assignments, technology-assisted learning, learning assessments within the curriculum, and all other activities in which there is a related general learner outcome attached to such time; and
 - (B) Student learning time in secondary school during which students are engage in learning activities, including regularly scheduled instruction, project-based learning assignments, technology-assisted learning, and learning assessments within the curriculum; provided that for the purposes of determining the adequacy of instructional time for secondary schools, “student instructional hours” may include presentations by persons other than teachers, directed study, time spent in homeroom, student advisory time, statewide performance assessment, and all other activities in which there is a related general learner outcome attached to such time.

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. 2535, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2535, 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. 2331 Education on S.B. No. 2654

The purpose and intent of this measure is to prohibit the Department of Education from transferring funds from the EDN 100 school-based budget program identifier (EDN 100) to any other program without legislative authorization.

Your Committee received testimony in opposition to this measure from the Department of Education.

Your Committee finds that the Department of Education should be afforded some flexibility in transferring appropriated funds between certain programs; however, funds appropriated to EDN 100 should be used solely for school-based budgeting.

Furthermore, it is the intent of your Committee that while the Department of Education is prohibited from transferring funds appropriated to EDN 100 to other program identifiers under this measure, the Department of Education should not be prohibited from transferring funds from other program identifiers into EDN 100 if necessary to cover a shortfall in funding.

Therefore, your Committee has amended this measure by:

- (1) Clarifying that the Department of Education shall have the flexibility to transfer appropriated funds and positions for the operating cost category among programs and among cost elements in a program, and between quarters, as applicable; provided that appropriations to the EDN 100 school-based budgeting program identifier shall not be transferred to any other program identifier of the Department of Education without legislative authorization; and
- (2) Changing the effective date to July 1, 2050, to ensure further discussion.

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. 2654, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2654, 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. 2332 Health on S.B. No. 2958

The purpose and intent of this measure is to appropriate funds to be expended by the Department of Health for the implementation of a new bone marrow transplantation program in the State.

Your Committee received testimony in support of this measure from the American Cancer Society, Hawaii Pacific Health, and one individual. Your Committee received testimony in opposition to this measure from ACLU of Hawaii. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that the closure of Hawaii Medical Center East resulted not only in the loss of Hawaii’s only certified organ transplant center, but also the loss of bone marrow transplantation services. Those needing transplants have the sole option of traveling to the mainland to receive services, which adds to the financial burden of these patients and makes it more difficult for the patient’s family and other members of the patient’s support system to accompany the patient.

Your Committee has amended this measure by inserting an appropriation amount of \$500,000.

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. 2958, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2958, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Nishihara, Slom).

SCRep. 2333 Health on S.B. No. 2422

The purpose and intent of this measure is to impose an excise tax on tobacco products, other than large cigars, in an effort to curtail tobacco use.

Your Committee received testimony in support of this measure from the Department of Health and the Coalition For A Tobacco-Free Hawaii. Your Committee received testimony in opposition to this measure from the Cigar Association of America, Inc., and three individuals. Your Committee received comments on this measure from the Tax Foundation of Hawaii and the American Heart Association.

Your Committee finds that tobacco use continues to be a pressing problem in Hawaii and the United States, causing over 400,000 deaths per year. Illness and death directly related to tobacco consumption costs Hawaii at least \$640,000,000 per year. Your Committee further finds that raising the price of tobacco products through state tax increases will prompt a reduction in tobacco use, especially among adolescents and young adults.

Your Committee has amended this measure by inserting an effective date of January 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. 2422, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2422, 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. 2334 Health on S.B. No. 2797

The purpose and intent of this measure is to make permanent the provisions of Act 205, Session Laws of Hawaii 2010, that required an individual insured under QUEST, QUEST Expanded Access, or a fee-for-service program administered by the Department of Human Services to make two unsuccessful attempts at treatment with generic psychotropic medications before the Department of Human Services may cover a brand-name medication for a new prescription.

Your Committee received testimony in support of this measure from Ohana Health Plan and one individual.

Your Committee finds that the number of individuals who require treatment for mental health issues is increasing and that prescription medications, including psychotropic drugs, have become increasingly expensive. With the difficult economic climate, alternatives, including generic equivalents to name-brand medications, must be explored to implement cost-saving measures while preserving an appropriate level of care.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 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. 2797, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2797, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2335 Health on S.B. No. 2569

The purpose and intent of this measure is to prohibit smoking within a presumptively reasonable minimum distance of twenty feet from all public bus stops.

Your Committee received testimony in support of this measure from the Department of Health and the Coalition For A Tobacco-Free Hawaii.

Your Committee finds that it is in the best interest of the health of the State's residents to limit involuntary exposure to second-hand smoke.

Your Committee has amended this measure by changing "public bus stops" to "public transportation stops and stations" to apply the protections of this measure to stops and stations for anticipated new forms of transportation, including a rail system, that may be established in the future.

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. 2569, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2569, 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 (Nishihara). Noes, none. Excused, 1 (Slom).

SCRep. 2336 Health on S.B. No. 2939

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds of up to \$80,000,000 for St. Francis Healthcare System of Hawaii to construct healthcare facilities.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii, The Queen's Health Systems, St. Francis Healthcare System of Hawaii, and the Hawaii Medical Association. Your Committee received comments on this measure from the Department of Budget and Finance and the Tax Foundation of Hawaii.

Your Committee finds that supporting St. Francis Healthcare System of Hawaii through the issuance of special purpose revenue bonds is in the public interest and for the public health, safety, and general welfare.

Your Committee has amended this measure by:

- (1) Inserting language from the Department of Budget and Finance regarding the issuance of refunding special purpose revenue bonds;
- (2) Inserting an effective date of January 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2939, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2939, 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. 2337 Judiciary and Labor on S.B. No. 2967

The purpose and intent of this measure is to establish a separate collective bargaining unit for ocean safety and water safety officers employed by the State or counties.

Your Committee received testimony in support of this measure from the Mayor of the County of Kauai; the Mayor of the County of Hawaii; a Council Member of the County of Hawaii; the Honolulu Emergency Services Department of the City and County of Honolulu; the Kauai Fire Department of the County of Kauai; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the Hawaiian Lifeguard Association; thirteen private individuals; and a petition with a total of one hundred sixteen signatures. The Mayor of the City and County of Honolulu submitted comments.

Your Committee finds that ocean safety and water safety officers are highly trained and competent emergency first responders. Ocean safety and water safety officers employed by the State or counties currently belong to bargaining units (3) and (4) for white collar employees and white collar supervisors, respectively. Bargaining unit (3) is the largest of all of the thirteen bargaining units in the State and comprises a broad and heterogeneous membership. The membership size and diversity of professions included in this bargaining unit increase the complexity and ability to address the specialized needs of ocean safety and water safety officers. By establishing a separate bargaining unit for these officers, this measure will enable these officers to more easily address with the employer any specialized needs of ocean safety and water safety officers, including fitness and equipment requirements, and improve salaries, benefits, and working conditions.

Your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Hawaii Government Employees Association that:
 - (A) Correct language to refer to the exclusive representative rather than a public sector union; and
 - (B) Amend the law relating to elections to determine whether or by which organization employees desire to be represented in collective bargaining by excluding from such elections a new bargaining unit established and comprised of employees covered under an existing valid collective bargaining agreement; 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. 2967, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2967, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Ihara).

SCRep. 2338 Judiciary and Labor on H.B. No. 302

The purpose and intent of this measure is to:

- (1) Require that the interstate transfer application fees collected from offenders who transfer their probation or parole supervision to the mainland be deposited into the probation services special fund rather than the general fund; and
- (2) Allow the monies in the probation services special fund to be used to monitor and enforce compliance with terms of probation and other supervision and to support other duties and activities related to the supervision of defendants.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that in 2008, the Legislature authorized the Judiciary and the Hawaii Paroling Authority to assess a fee for each application made by a parolee or probationer for a transfer out of the State to the mainland, and required that the fees collected be deposited into the general fund. During that same year, the Legislature established a full-time position for an interstate coordinator to manage these transfer activities, but did not fund this position. Although the interstate coordinator position was eventually funded and filled through monies from the probation services special fund, additional revenue is needed to support the cost of an interstate coordinator. The interstate coordinator is an important position within the State's Interstate Compact Office because the coordinator

oversees all interstate matters and serves as the primary contact for Hawaii probation and parole staff and mainland staff to ensure the accurate screening and timely processing of all transfer requests. This measure allows interstate transfer fees to be deposited into the probation services special fund to help defray the costs of an interstate coordinator and other related expenses.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 302, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 302, 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. 2339 Judiciary and Labor on S.B. No. 2730

The purpose and intent of this measure is to bring Hawaii's false claims laws in compliance with the federal False Claims Act, and provide greater protection to individuals who allege fraud against the State. More specifically, this measure:

- (1) Provides special protection and relief to individuals who try to stop others from committing false claims violations against the State by their own conduct or through the conduct of any of their associates; and
- (2) Updates the State's false claims laws in order to comply with the federal False Claims Act, so that the State may continue to retain an additional ten percent of any civil recovery in cases involving federal programs.

Your Committee received testimony in support of this measure from the Department of the Attorney General and one private individual.

Your Committee finds that Hawaii's false claims law establishes causes of actions that result in civil penalties and damages against individuals or entities claiming or collecting money from the State under false pretenses. Until recently, state law complied with the federal requirements thereby allowing the State to obtain a greater share of the recovery in cases where federal dollars were at stake. However, the federal government recently amended its False Claims Act and consequently requires Hawaii to update its laws by March 31, 2013. This measure ensures that the necessary statutory changes are made so that the State may continue to retain an additional ten percent of any civil recovery in cases involving federal programs.

Your Committee notes that in updating the State's false claims act, this measure also provides special protections and relief to individuals who try to stop others from committing false claims violations against the State by their own conduct or through the conduct of any of their associates. The State's whistleblower's protection act gives rise to causes of action by employees who are retaliated against by employers for providing information of wrongdoing. This measure provides far greater protection against retaliation than the whistleblowers' protection act because it includes employees, contractors, and agents from retaliatory actions by anyone who has the authority to affect the individual's status as an employee, contractor, or agent.

Your Committee has amended this measure by:

- (1) Adding amendments to the county false claims act to reflect the amendments made to the state false claims act, as suggested by a private individual and agreed upon by the Department of the Attorney General;
- (2) Allowing the State or a county to recover consequential damages in a false claims action;
- (3) Deleting the exemption that precludes actions brought for tax fraud in order to afford the State further opportunity to recover monies;
- (4) Deleting the savings clause and replacing it with language that provides a liberal interpretation of this measure;
- (5) Adding a severability clause; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2730, 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. 2340 Judiciary and Labor on S.B. No. 2208

The purpose and intent of this measure is to support spay and neuter initiatives in Hawaii that help to reduce pet overpopulation by:

- (1) Establishing a spay and neuter special fund to cover the costs of reducing the number of feral animals through spaying and neutering, educating the public regarding the importance of spaying and neutering, and preventing homeless animal overpopulation;
- (2) Establishing an advisory committee to assist the Department of Budget and Finance in developing special fund disbursement eligibility criteria and procedures; and
- (3) Providing taxpayers with a state income tax refund of \$5 or more, or for a joint return with a state income tax refund of \$10 or more, the option of designating a portion of their income tax refund to be deposited into the special fund.

Your Committee received testimony in support of this measure from the Hawaiian Humane Society, the Maui Humane Society, and two hundred private individuals. Testimony in opposition to this measure was submitted by the Department of Budget and Finance and the Department of Taxation. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that pet overpopulation is caused by too many animal litters and lack of affordable and accessible spay and neuter options. This measure provides additional funding to help reduce pet overpopulation and decrease pet euthanasia.

Your Committee notes the concerns raised by the Department of Budget and Finance regarding its limited budget and staff complement to provide sufficient oversight of the spay and neuter special fund as well as the advisory committee established under this measure. As such, your Committee believes that the monies generated from the income tax check-off should be used to cover the special fund's administrative costs, and merits further discussion by the Committee on Ways and Means.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure further discussion;
- (2) Inserting a five-year sunset date to allow the Department of Budget and Finance to review and assess the viability of the special fund; 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. 2208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2208, 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. 2341 Judiciary and Labor on S.B. No. 2498

The purpose and intent of this measure is to provide an interest rate of up to ten percent on any unfunded settlement claim against the State, its officers, or its employees.

Your Committee received testimony in support of this measure from the Hawaii Association for Justice. The Department of the Attorney General submitted comments.

Your Committee finds that settlement claims against the State are normally funded by the Legislature on a timely basis. However, there are occasionally some settlements that are not timely funded because the appropriations bill for claims against the State is not enacted in the same calendar year that the bill was before the Legislature. As such, settlement payments are delayed for an additional year until the next regular legislative session. This measure fairly remedies this situation by allowing an interest to be paid on the monies due on any settlement claims. Thus, this measure holds the State accountable to satisfy settlement payments and further encourages parties to settle with the State rather than to engage in costly litigation.

Your Committee has amended this measure by:

- (1) Adopting the suggested language submitted by the Department of the Attorney General by:
 - (A) Deleting the amendments made to the legal rate computation section under the interest and usury laws; and
 - (B) Replacing it with language that amends the law relating to claims against the State to provide an interest rate of up to four percent on any unfunded settlement claim until the appropriations bill is enacted or the payment is made; 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. 2498, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2498, 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. 2342 (Majority) Judiciary and Labor on S.B. No. 2573

The purpose and intent of this measure is to:

- (1) Require an employer with twenty or more employees to make reasonable efforts to provide a clean location for breastfeeding employees to express breastmilk in privacy;
- (2) Require covered employers to post a notice in a conspicuous location; and
- (3) Establish a civil fine for failure to provide a clean location or post notice.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women; the Office of Hawaiian Affairs; the American Civil Liberties Union of Hawaii; Breastfeeding Hawaii; and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Testimony in opposition to this measure was submitted by one private individual. The Hawaii Civil Rights Commission and the Chamber of Commerce of Hawaii submitted comments.

Your Committee finds that in Hawaii, over ninety percent of new mothers, which is much higher than the national average, intend to breastfeed their babies. The American Academy of Pediatrics and many other similar professional organizations recommend for infants within the first six months of life to only be given breastmilk for nourishment. Unfortunately, six months after birth, only about

sixteen percent of infants are exclusively breastfed, little more than the thirteen percent national average. One year ago, the Surgeon General addressed this public health problem by issuing a call to action in support of breastfeeding that included hospitals and healthcare practices, family and societal attitudes, and support in the workplace. This measure enables the State to respond to this call to action by requiring an employer with twenty or more employees to make reasonable efforts to provide a clean location for breastfeeding employees to express breastmilk in privacy.

Your Committee notes the testimony submitted by the Hawaii Civil Rights Commission indicating that the language of this measure partially conforms to the provisions of the federal Fair Labor Standards Act, which is under the jurisdiction of the United States Department of Labor, not the Commission's federal counterpart, the United States Equal Opportunity Commission. As a result, the Commission suggests that this measure be placed under the jurisdiction of an agency with the expertise and facilities required to effectively enforce the provisions in this measure, such as the Department of Labor and Industrial Relations.

Your Committee has amended this measure by:

- (1) Adopting the suggestion made by the Hawaii Civil Rights Commission by establishing the requirements under this measure under a new section in the Hawaii Revised Statutes that fall under the purview of the Department of Labor and Industrial Relations;
- (2) Inserting an effective date of July 1, 2050, to ensure 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. 2573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2573, 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. 2343 Judiciary and Labor on S.B. No. 2671

The purpose and intent of this measure is to:

- (1) Clarify the authority of the Hawaii Labor Relations Board to hire attorneys and paralegals; and
- (2) Authorize any attorney employed by the Board as a part-time or contract staff member to represent the Board in litigation, draft legal documents for the Board, and provide other necessary legal services to the Board, as the Board's full-time attorney is already authorized to do.

Your Committee received testimony in support of this measure from the Hawaii Labor Relations Board; the University of Hawaii Professional Assembly; the United Public Workers, AFSCME Local 646, AFL-CIO; and the International Longshore and Warehouse Union Local 142. The Department of Labor and Industrial Relations submitted comments.

Your Committee finds that the Hawaii Labor Relations Board is limited under existing law to employing only one attorney as a staff member to represent the Board in litigation, draft legal documents, and provide other legal services to the Board. This measure will authorize the Hawaii Labor Relations Board to hire additional attorneys and paralegals as staff members. The Board currently needs legal staff to draft administrative rules to implement recently enacted laws; update rules that have not been amended since 1981; draft decisions and orders to reduce case backlog; and provide legal assistance, as needed.

Your Committee has amended this measure by adopting the suggested technical, nonsubstantive amendment from the Hawaii Labor Relations Board to remove unnecessary language.

As affirmed by the record of votes of the members 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. 2671, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2671, S.D. 1, 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. 2344 Judiciary and Labor on H.B. No. 297

The purpose and intent of this measure is to authorize the courts to assess a fee for probation services to all offenders under the supervision of the Adult Client Services Branch, including those granted deferred acceptance of guilty plea or deferred acceptance of nolo contendere plea, to hold offenders accountable for their actions and make them responsible for paying for some of their supervision costs.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that in 2000, the Legislature established probation services fees to help defray the costs of administering probation services. Offenders sentenced to probation are ordered to pay a probation services fee of \$150 for the probation term that is for more than one year, and \$75 for a probation term that is one year or less. However, this fee cannot be ordered for those offenders who are granted deferrals. This measure will allow the courts to collect probation services fees from offenders placed on deferral to make them accountable for their actions and to help pay for their supervision costs. Moreover, this measure addresses the Judiciary's need for additional revenue to meet the rising costs of supervising offenders that are not covered by the general fund.

Your Committee has amended this measure by changing the effective date from January 7, 2059, to 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. 297, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 297, 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. 2345 Judiciary and Labor on S.B. No. 3008

The purpose and intent of this measure is to provide an alternative to serving notice by publication for impoverished litigants in all family court matters after a due and diligent search for the defendant.

Your Committee received testimony in support of this measure from the Legal Aid Society of Hawaii.

Your Committee finds that the rates to serve notice by publication in a daily newspaper of general circulation have increased dramatically over the past several years. This rate increase has made it difficult for impoverished litigants to find the funds necessary to cover the publication costs for legal notices. This measure will assist in alleviating this financial burden by allowing impoverished litigants after a due diligent search, upon failing to locate a defendant to serve notice by posting pleadings at the courthouse and mailing pleadings to the defendant's or respondent's closest known relative.

As affirmed by the record of votes of the members 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. 3008 and recommends that 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. 2346 (Joint) Human Services and Health and Education on S.B. No. 2605

The purpose and intent of this measure is to:

- (1) Require the Department of Health to educate the public about issues that affect children's oral health;
- (2) Establish and appropriate funds for an electronic system to track data relating to children's dental health;
- (3) Require the Department of Education to operate school gardens or farms to grow fruits and vegetables to be offered to school children through school meal programs subject to all the appropriate laws, rules, and safety standards;
- (4) Require the fees that the State pays to dentists for services provided to individuals enrolled in QUEST or QUEST Expanded Access to be no less than a specified percentage of the fees prescribed by the United States Department of Health and Human Services' Medicare fee schedule beginning on January 1, 2013; and
- (5) Appropriate funds to increase payments for dental services to QUEST and QUEST Expanded Access program participants.

Your Committees received testimony in support of this measure from the Community Pediatrics Institute, Hawaii Primary Care Association, and one individual. Your Committees received testimony in opposition to this measure from the Department of Education. Your Committees received comments on this measure from the Department of Health, the Department of Human Services, and Good Beginnings Alliance.

Your Committees find that according to the Pew Center on the States' 2011 "The State of Children's Dental Health: Making Coverage Matter", Hawaii's children were rated the worst overall performer among the fifty states and the District of Columbia. Your Committees also find that more than half of Hawaii's children on Medicaid received no dental service in 2009. Your Committees further find that with the abolishment of the Department of Health's Dental Hygiene Section in 2009, the State is unable to collect crucial children's oral health data, which resulted in an ineffective state children dental health program.

This measure will improve awareness of oral hygiene, increase available data on children's dental health, and encourage the provision of dental services to QUEST and the QUEST Expanded Access program participants - all aimed to improve the oral health of Hawaii's children.

Your Committees have amended this measure by:

- (1) Deleting language requiring the Department of Education to operate school gardens or farms at every public elementary and secondary school;
- (2) Authorizing the Department of Human Services, rather than the Medicare fee schedule, to determine the fees payable to dentists for the provision of dental services to individuals who receive medical assistance through the QUEST or the QUEST Expanded Access program; 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 Health and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2605, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2605, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Ihara, Shimabukuro).

SCRep. 2347 Human Services on S.B. No. 2142

The purpose and intent of this measure is to:

- (1) Authorize the court to issue a permanent protective order to prevent sexual offenses or child abuse or a recurrence of such acts between family or household members; and
- (2) Amend the definition of “domestic abuse” in section 586-1, Hawaii Revised Statutes, to include sexual offenses or child abuse committed by one family or household member against another family or household member, regardless of age.

Your Committee received testimony in support of this measure from two individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that permanent protective orders can be a legal remedy to prevent further harm of children, specifically through sexual offenses or child abuse. This measure will establish the basis for a permanent protective order if a protective order is issued to prevent sexual offenses or child abuse.

Your Committee notes that according to the testimony of the Department of Human Services, the measure, as currently drafted, would make all offenses covered by chapter 707, parts V and VI, Hawaii Revised Statutes, including misdemeanors and petty misdemeanors, the basis for issuance of a permanent protective order. This broad application for issuing a permanent protective order could prevent the engagement and growth necessary for family members to change their behavior and develop the knowledge, skills, and ability to provide a safe family home for their children.

Your Committee has therefore amended this measure by:

- (1) Specifying that a permanent protective order shall be granted based on an act that would constitute felony sexual assault or felony child abuse; and
- (2) Changing the effective date to July 1, 2050, to ensure 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. 2142, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2142, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Slom).

SCRep. 2348 (Joint) Human Services and Judiciary and Labor on S.B. No. 2579

The purpose and intent of this measure is to:

- (1) Establish the minor victims of prostitution special fund;
- (2) Amend the definition of “child abuse or neglect” to include acts or omissions of any person or legal entity;
- (3) Require mandatory reporting when there is reasonable suspicion of child abuse or neglect;
- (4) Require law enforcement to immediately report incidents of child prostitution to the Department of Human Services;
- (5) Grant the Family Court exclusive jurisdiction over any person under eighteen who is charged with certain offenses relating to prostitution;
- (6) Amend the statute of limitations under the Prostitution Coercion Liability Act, chapter 663J, Hawaii Revised Statutes;
- (7) Establish that a person who is under eighteen and suspected of or charged with certain offenses relating to prostitution shall be granted immunity from prosecution, and shall be subject to the child protective provisions of the Child Protective Act; and
- (8) Establishes a two-year victim services pilot program to address the needs of minor victims of prostitution.

Your Committees received testimony in support of this measure from IMUAlliance, the Pacific Alliance to Stop Slavery, the Polaris Project, and six individuals. Your Committees received testimony in opposition to this measure from the Department of Human Services, the Department of Budget and Finance, and the Sex Abuse Treatment Center. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that child victims of human trafficking, the modern-day slavery, can still be prosecuted for being exploited through prostitution, and are therefore seen and treated as criminals instead of as victims. This measure enacts a comprehensive, victim-centered, legal framework to combat human trafficking, and more specifically child sex trafficking.

Your Committees also find that the amendment to broaden the definition of “child abuse or neglect” expands the scope of child abuse and neglect beyond the Department of Human Services’ ability to respond.

Your Committees further find that the mandatory reporting requirements of the measure, as it is currently drafted, are out of the scope of the Department of Human Services’ responsibilities and could potentially jeopardize pending criminal investigations.

Your Committees note from the testimony of the Department of the Attorney General that references to specific violations relating to prostitution may require further review.

Your Committees have amended this measure by:

- (1) Adding language to establish protections and support specifically for sexually exploited children under a new chapter titled “Safe Harbor for Sexually Exploited Children”;

- (2) Amending the two-year victim services pilot program to be a victim services program for sexually exploited children under the new Safe Harbor for Sexually Exploited Children chapter;
- (3) Establishing the minor victims of prostitution special fund under chapter 346, Hawaii Revised Statutes, rather than the Hawaii penal code, and amending allowable uses of fund monies;
- (4) Deleting language relating to reporting of suspected or known child abuse or neglect;
- (5) Placing persons under eighteen who are suspected of or charged with the offenses established under sections 712-1206 and 712-1207(2), Hawaii Revised Statutes, and exempted under section 712-1206(4), Hawaii Revised Statutes, under the Family Court's exclusive jurisdiction;
- (6) Amending the offense of loitering for the purpose of engaging in or advancing prostitution to exempt individuals under eighteen from prosecution and extending the supports and services of the new Safe Harbor for Sexually Exploited Children chapter;
- (7) Inserting language to exempt a person under eighteen who is suspected of or charged with a violation of section 712-1207(2), Hawaii Revised Statutes, from prosecution;
- (8) Amending language to delete the inappropriate use of the term "immunity";
- (9) Amending language throughout the measure to apply protections under the new Safe Harbor for Sexually Exploited Children chapter, rather than child protective provisions of chapter 587A, Hawaii Revised Statutes, where appropriate;
- (10) Inserting an effective date of July 1, 2050, to ensure further discussion; 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 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. 2579, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2579, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 2349 (Joint) Human Services and Health on S.B. No. 2467

The purpose and intent of this measure is to establish the hospital sustainability program, including a hospital sustainability fee and special fund into which hospital sustainability fees shall be deposited.

Your Committees received testimony in support of this measure from the Department of Human Services, the Hawaii Health Systems Corporation, the Healthcare Association of Hawaii, Kahi Mohala Behavioral Health, the Policy Advisory Board of Elder Affairs, The Queen's Health Systems, and one individual. Your Committees received comments on this measure from HMSA.

Your Committees find that provider fee programs are used as a means of drawing down additional federal funds to sustain state Medicaid programs. Currently, program fees are used in forty-six states and the District of Columbia. Hawaii is one of only four states without such a program, despite the rising state budget deficit due to increasing health care costs and expanding Medicaid rolls. Your Committees further find that provider fees have been widely implemented nationally but are now being increasingly scrutinized by the Centers for Medicare and Medicaid Services. Preliminarily, this measure raises some concerns about the likelihood of federal approval.

Your Committees note that according to the Healthcare Association of Hawaii's testimony, the model for the hospital sustainability program is still being developed because the data required to design it is still being gathered. Therefore, additional amendments may be required as this measure progresses through the legislative process.

Your Committees have therefore amended this measure by:

- (1) Authorizing the use of the provider fee to match federal uncompensated care costs funds if certified public expenditures are not sufficient;
- (2) Clarifying that the provider fee shall not exceed three percent of the net patient service revenue, as derived from the Medicare cost report ending during the state fiscal year 2010; provided that certain hospitals may be exempted from the provider fee or pay a reduced fee;
- (3) Requiring hospitals to pay provider fees on a monthly basis rather than a quarterly basis;
- (4) Providing specific examples of Centers for Medicare and Medicaid Services' approvals that may be needed;
- (5) Including the Healthcare Association of Hawaii as an entity that will ensure capitated rates by the Department of Human Services to the QUEST and QUEST Expanded Access plans are used in accordance with title 42 Code of Federal Regulations section 438;
- (6) Inserting an effective date of July 1, 2050, to ensure further discussion;
- (7) Deleting the repeal date of June 30, 2013; 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2467, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2467, 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, Wakai, Slom).

SCRep. 2350 Human Services on S.B. No. 2936

The purpose and intent of this measure is to:

- (1) Eliminate the asset limit for Hawaii's Temporary Assistance for Needy Families program eligibility; and
- (2) Exempt the fair market value of all motor vehicles in a household when determining eligibility for Hawaii's Temporary Assistance for Needy Families program.

Prior to the hearing, your Committee posted a proposed S.D. 1 of this measure that replaced the contents of this measure with provisions that allowed the Department of Human Services to draw from other funds appropriated to the Department in the event that amounts appropriated for general assistance are insufficient to meet general assistance benefits programs.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Human Services, the Office of Hawaiian Affairs, and one individual.

Your Committee finds that the general assistance program (HMS 204) is a block grant program that provides a monthly benefit to disabled individuals. The Department of Human Services must adjust general assistance payments to remain within the general assistance appropriation when the caseload increases. Your Committee also finds that for fiscal year 2012, the payment level began at \$353, but due to caseload increases was reduced to \$319 in October 2011. To remain within the authorized appropriation, the \$319 monthly benefit must be further reduced to \$275 in April 2012 or maintained until May 2012 then reduced to \$188 in June 2012. Since these reductions and fluctuations provide little stability to households who already live below poverty levels, the Department has requested an emergency appropriation for the 2011-2012 fiscal year to maintain the \$319 monthly benefit.

Your Committee has amended this measure by adopting the proposed S.D. 1, which will reduce the future need to request emergency appropriations for the general assistance program by authorizing the Department of Human Services to utilize, when needed, savings from other programs.

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. 2936, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2936, 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. 2351 Human Services on S.B. No. 2166

The purpose and intent of this measure is to:

- (1) Require the Department of Human Services to implement state-of-the-art technologies in its Medicaid and Children's Health Insurance Programs to increase the Department's ability to detect and prevent waste, fraud, and abuse in the programs; and
- (2) Require the Department of Human Services to submit to the Legislature and make available to the public a report after the first implementation year and after any subsequent implementation year on the status of implementation of the technologies and its effect on the cost and efficiency of services provided.

Your Committee received testimony in support of this measure from the Consumer Family & Youth Alliance and one individual. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that there is a misunderstanding of the claims review process as represented in this measure. Currently, the claims review process is not housed in the Department of Human Services, but rather with the individual plans that are contracted to implement the Medicaid program. Claims review must occur prior to the expenditure of funds. Your Committee also finds that this measure, as it is currently drafted, mandates the Department to procure and implement a technology-based system to screen and verify the appropriateness of provider billing to prevent fraud, waste, and abuse in the QUEST and Children's Health Insurance Programs. Implementing this new process that tasks claims review to the Department alters the whole system and lends itself to inefficiencies that will be counterproductive to the measure's intent.

Your Committee has amended this measure by deleting its contents and inserting the provisions of H.B. 2138, H.D. 1, Regular Session of 2012, which establishes the health insurance waste, fraud, and abuse task force to detect fraud and abuse before payments of illegitimate claims are made under the Medicaid managed care, Medicaid, and Children's Health Insurance Programs. The task force is required to report to the Legislature prior to the convening of the 2013 Regular Session.

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. 2166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2166, 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. 2352 Human Services on S.B. No. 1168

The purpose and intent of this measure is to prohibit the use of tobacco products by minors and establish penalties for a violation.

Your Committee received testimony in opposition to this measure from the Department of Health, American Heart Association/American Stroke Association, and Coalition for a Tobacco-Free Hawai'i.

Your Committee finds that this measure focuses tobacco enforcement efforts on punishing the victims of tobacco, rather than addressing the victimizers. Evidence indicates that the tobacco industry pays retailers exorbitant product placement fees to ensure that tobacco products are located where they will become easily recognizable by youths, often next to candy or other sweet items that attract children's attention. The industry knows that it needs to imprint its brand on minors today to assure that they will eventually become addicted adult tobacco users.

Rather than shifting the focus to youth possession of tobacco products, focus should be shifted to the root cause of the problem - tobacco industry marketing tactics.

Your Committee has amended this measure by:

- (1) Deleting references to penalties for the minor;
- (2) Authorizing a law enforcement officer to confiscate any tobacco used in violation of the prohibition on the use of tobacco by minors; and
- (3) Changing the effective date to January 1, 2050, to ensure 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. 1168, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1168, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3, Ayes with Reservations (Ihara). Noes, none. Excused, 1 (Slom).

SCRep. 2353 (Joint) Hawaiian Affairs and Water, Land, and Housing on S.B. No. 3025

The purpose and intent of this measure is to require counties to apply affordable housing credits issued to the Department of Hawaiian Home Lands in full satisfaction of county affordable housing obligations.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Sovereign Councils of the Hawaiian Homelands Assembly, Nanakuli Hawaiian Homestead Community Association, Waianae Kai Homestead Community Association, Kewalo Hawaiian Homestead Community Association, and two individuals. Your Committees received testimony in opposition to this measure from the Kaua'i County Housing Agency. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees acknowledge that affordable housing requirements vary from county to county and impact the Department of Hawaiian Home Lands in disparate ways. However, whether the undervaluation of the affordable housing credits issued to the Department of Hawaiian Home Lands is occurring is unclear. To the extent that undervaluation of assets is occurring, your Committees find that this measure proposes an acceptable method of resolving the problem of undervaluation.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to ensure further discussion.

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. 3025, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3025, S.D. 1, and be referred to the Committee on Public Safety, Government Operations, and Military Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (English, Fukunaga, Kahele, Tokuda).

SCRep. 2354 (Joint) Hawaiian Affairs and Water, Land, and Housing on S.B. No. 3053

The purpose and intent of this measure is to establish the Aha Moku Advisory Committee to advise the Chairperson of the Board of Land and Natural Resources on natural resources management.

Your Committees received testimony in support of this measure from the Aha Moku Advisory Committee, Association of Hawaiian Civic Clubs, Maunaloa Hawaiian Civic Club, Kuakini Hawaiian Civic Club, Sovereign Councils of the Hawaiian Homelands Assembly, Waianae Kai Community Association, Kewalo Hawaiian Homestead Community Association, and fifteen individuals. Your Committees received testimony in opposition to this measure from the Land Use Research Foundation of Hawaii. Your Committees received comments on this measure from the Department of Land and Natural Resources and the Department of Hawaiian Homelands.

Your Committees find that traditional and customary indigenous resource management practices and concepts are invaluable tools to govern the State's natural resources. Despite the efforts of committed individuals and institutions, integrating these practices and concepts in the State's stewardship of natural resources has long proved a challenge. This measure addresses many of the concerns that precluded the success of previous, similar efforts to enhance the State's oversight of state natural resources with indigenous knowledge and practices. Nevertheless, your Committees find that the Aha Moku Advisory Committee is best suited for the Office of Hawaiian Affairs, rather than the Department of Land and Natural Resources, since the purpose of creating the Aha Moku Advisory Committee is similar to the purpose for which the Office of Hawaiian Affairs was created.

Your Committees also find that island burial councils statewide have had difficulty meeting due to their failures to meet quorum requirements. The island burial councils play a critical role in balancing diverse interests and reaching resolutions of sensitive burial issues. Procedural barriers should not prevent the island burial councils from conducting and transacting business.

Your Committees have amended this measure by:

- (1) Amending language to place the Aha Moku Advisory Committee within the Office of Hawaiian Affairs to advise the Chairperson of the Board of Trustees of the Office of Hawaiian Affairs, rather than within the Department of Land and Natural Resources to advise the Chairperson of the Board of Land and Natural Resources;
- (2) Inserting a new part establishing a quorum requirement for the meetings of the island burial councils and providing that quorum for a meeting is the number of members present at the scheduled start time of a meeting; 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 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. 3053, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3053, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (English, Fukunaga, Kahele, Tokuda).

SCRep. 2355 Education on S.B. No. 2116

The purpose and intent of this measure is to:

- (1) Require the Board of Education to contract for an Implementation and Transition Coordinator to assist with the implementation of S.B. No. 2115, Regular Session of 2012 (S.B. No. 2115); and
- (2) Make an appropriation in an unspecified amount to the Department of Education for the Board of Education to contract for an Implementation and Transition Coordinator.

Your Committee received testimony in support of this measure from the Governor, Charter School Administrative Office, National Governors Association, National Alliance for Public Charter Schools, Macalester College Center for School Change, Hawaii Public Charter School Network, Hawai'i Educational Policy Center, Hawai'i Island Charter Schools, Ho'okako'o Corporation, Hawaii Technology Academy, Kanu o ka 'Aina 'Ohana, Kaneohe Ranch, Kewalo Hawaiian Homestead Community Association, and two individuals. Your Committee received testimony in opposition to this measure from two individuals.

Your Committee finds that the Charter School Governance, Accountability, and Authority Task Force ("Task Force") was established pursuant to Act 130, Session Laws of Hawaii 2011, in response to questions and concerns raised by policy makers and advocates alike about the integrity of Hawaii's charter school governance structure and the overall strength of Hawaii's laws in establishing clear lines of authority to ensure accountability of the charter school system.

The Task Force concluded its work and issued its report and recommendations to the Legislature, which are included in S.B. No. 2115. This measure will provide the Department of Education and charter school stakeholders with the means to create a comprehensive transition framework to implement the recommendations of the Task Force to move Hawaii's charter schools toward greater student outcomes.

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. 2116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2116, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Slom).

SCRep. 2356 (Joint) Health and Human Services on S.B. No. 2818

The purpose and intent of this measure is to repeal the authority of the Department of Health to deliver or distribute an unclaimed dead human body to a university, hospital, or institution for medical educational and research purposes, and to clarify the responsibilities of the person who has possession, charge, or control of an unclaimed dead human body with respect to gathering and providing information to state agencies for burial or cremation of the body at public expense.

Your Committees received testimony in support of this measure from the Department of Health, Department of Human Services, and one individual.

Your Committees find that the disposition of unclaimed corpses for research or educational purposes does not enhance or protect the dignity of either the institution or the decedent, who had no choice in the matter, nor does it reflect contemporary community standards of practice. Your Committees further find that the University of Hawaii utilizes only willfully expressed and documented anatomical gifts, so access to medical cadavers for educational and research purposes will not be affected by this measure. Your Committees also find that this measure will improve efficiency in administrative practices by consolidating the process of applying for the burial or cremation of an unclaimed dead human body at public expense within the Department of Human Services.

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. 2818 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 3 (Baker, Wakai, Slom).

SCRep. 2357 Health on S.B. No. 2228

The purpose and intent of this measure is to establish an electronic tracking system for the sale of products containing pseudoephedrine.

Your Committee received testimony in support of this measure from the Hawaii Food Industry Association. Your Committee received comments on this measure from the Department of Public Safety and the Department of the Attorney General.

Your Committee finds that the electronic tracking system provided for under this measure will allow for real-time approval or denial of pseudoephedrine purchases at the point of sale. Your Committee further finds that efforts to improve the tracking and purchasing of pseudoephedrine are in the interests of the State and its efforts to inhibit the spread of illegal narcotics such as methamphetamine.

Your Committee has amended this measure by:

- (1) Requiring the Department of Public Safety Narcotics Enforcement Division to establish the electronic tracking system for pseudoephedrine sales in conjunction with the State's existing narcotics tracking system beginning no later than 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2228, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2228, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 2358 (Joint/Majority) Health and Public Safety, Government Operations, and Military Affairs on S.B. No. 2536

The purpose and intent of this measure is to establish a clean and sober home and halfway house task force.

Your Committees received testimony in support of this measure from the Hawaii Substance Abuse Coalition and the Hawaii Disability Rights Center. Your Committees received testimony in opposition to this measure from the Department of Health.

Your Committees find that clean and sober homes and halfway houses provide a means for individuals to reintegrate back into the community through support in a home-like environment. Your Committees further find that community residents have expressed concerns over the legal operation of such homes in their communities and the compliance of those homes with state laws. Your Committees acknowledge that the needs and concerns of the community must be balanced with the needs of the individuals requiring support, and therefore a clean and sober home and halfway house task force that will address these and other issues is deemed necessary.

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. 2536 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, 1 (Kidani). Excused, 2 (Ryan, Shimabukuro).

SCRep. 2359 Health on S.B. No. 3039

The purpose and intent of this measure is to:

- (1) Prohibit a health care facility or health care provider from discriminating against a person who has human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), or AIDS-related complex (ARC), and who is in need of an organ transplantation by refusing to perform the organ transplantation; and
- (2) Specify that persons with HIV, AIDS, or ARC shall not be prohibited from receiving an anatomical gift.

Your Committee received testimony in support of this measure from the Hepatitis Support Network of Hawaii and three individuals. Your Committee received testimony in opposition to this measure from the Department of Health. Your Committee received comments on this measure from The Queen's Health Systems.

Your Committee finds that individuals with HIV, AIDS, or ARC are deserving of equal treatment and statutory protection with regard to their eligibility for potentially life-saving organ transplantation. Your Committee would also like to note that The Queen's Health Systems submitted comments regarding healthcare policies that mandate that an individual shall not be discriminated against based on gender, religion, sexual orientation, or medical diagnoses. Rather, patient eligibility for organ transplant is evaluated on a per-patient basis and based on the best possible outcome. Testimony submitted by The Queen's Health Systems also notes that transplant programs are closely regulated by the federal Centers for Medicare and Medicaid Services and the Organ Procurement and Transplantation Network.

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. 3039 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, Ayes with Reservations (Wakai, Slom). Noes, none. Excused, none.

SCRep. 2360 Health on S.B. No. 3022

The purpose and intent of this measure is to increase the excise tax on cigarettes and small cigars and after June 30, 2013, and thereafter, direct portions of the tax revenue to be deposited into the Hawaii cancer research special fund, trauma system special fund, community health centers special fund, and emergency medical services special fund.

Your Committee received testimony in support of this measure from the American Heart Association. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that a tax increase on cigarettes and small cigars may serve to discourage individuals, especially lower-income individuals and youths, from purchasing cigarettes and small cigars.

Your Committee has amended this measure by inserting an effective date of January 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. 3022, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3022, 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. 2361 (Joint/Majority) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 2424

The purpose and intent of this measure is to:

- (1) Establish the professional employer organization special fund;
- (2) Add powers and duties to the Director of Labor and Industrial Relations regarding the registration and regulation of Professional Employer Organizations;
- (3) Amend definitions in chapter 373L, Hawaii Revised Statutes, for the purposes of consistency; and
- (4) Amend bond level requirements for professional employer organizations.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations; Department of Commerce and Consumer Affairs; and ALTRES, Inc. Your Committees received comments on this measure from the Department of Budget and Finance, National Association of Professional Employer Organizations, Alpha Surety and Insurance Brokerage, Employer Services Assurance Corporation, and ProService Hawaii.

Your Committees find that professional employer organizations are businesses that partner with existing small businesses to cost-effectively outsource certain employee management tasks. Your Committees further find that thirty-eight states regulate the professional employer organization industry through licensing or registration programs. Act 129, Session Laws of Hawaii 2010, established registration requirements for professional employer organizations in Hawaii. Although the registration requirements went into effect July 1, 2011, amendments to the existing statute are needed before the Department of Labor and Industrial Relations can fully implement the law.

Your Committees note that Act 225, Session Laws of Hawaii 2007, established a new chapter in the Hawaii Revised Statutes on professional employment organizations. The main purpose of Act 225 was to provide a general excise tax exemption for these organizations. Your Committees note that both chapters in the Hawaii Revised Statutes cover the same type of entities, although professional employer organization is the correct term. Your Committees conclude that two chapters on the same subject are unnecessary, however, your Committees do believe that there is merit to preserving the general excise tax provisions established by Act 225 and codified in section 373K-2, Hawaii Revised Statutes.

Your Committees have amended this measure by:

- (1) Amending the scope of written notices of judgment, award, or sanctions a professional employer organization must provide to the Department of Labor and Industrial Relations;
- (2) Amending the conditions under which the Director of Labor and Industrial Relations may deny, suspect, revoke, fine, or deny renewal of registration of a professional employer organization;
- (3) Specifying the amount of fees the Department of Commerce and Consumer Affairs shall collect, including application, initial registration, biennial renewal, and restoration fees;
- (4) Amending the responsibilities and duties of the Director of Labor and Industrial Relations;
- (5) Deleting language that would have created new sections in chapter 373L relating to unlicensed activities and penalties, cease and desist orders, and permanent cease and desist orders;
- (6) Amending language relating to professional employer agreements;
- (7) Establishing hearing requirements and judicial review provisions to review decisions made by the Director of Labor and Industrial Relations regarding licensure or fining of professional employer organizations;
- (8) Adding a payroll cost exemption for professional employer organizations first established in section 373K-2, Hawaii Revised Statutes;
- (9) Adding definitions of "assurance organization" and "controlling person";
- (10) Amending the required information, yearly expiration date, use of a qualified assurance organization for registration, and bond requirements for professional employer organizations, Hawaii Revised Statutes;

- (11) Repealing chapter 373K, Hawaii Revised Statutes, relating to professional employment organizations;
- (12) Permitting the Director of Labor and Industrial Relations to establish three .5 full-time permanent additional positions, to carry out the requirements of chapter 373L, Hawaii Revised Statutes;
- (13) Making an appropriation of \$177,500 out of the professional employer organization special fund to carry out the purposes of this measure;
- (14) Inserting a purpose section to reflect the amended purpose of this measure;
- (15) Inserting an effective date of July 1, 2050, to ensure further discussion; and
- (16) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that the amended measure is the result of collaboration among interested stakeholders. Discussions continue on the fees contained in this measure, with a necessary balance sought between the Department of Labor and Industrial Relations' needs to execute the registration requirements and fees that the professional employer organizations believe are appropriate. Your Committees are encouraged by the progress reached by all interested parties, but find that continuing discussion is necessary.

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. 2424, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2424, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, 1 (Slom). Excused, 2 (Galuteria, Ihara).

SCRep. 2362 (Joint/Majority) Education and Judiciary and Labor on S.B. No. 2789

The purpose and intent of this measure is to provide the directive, means, and flexibility to establish a performance management system that cultivates and supports highly effective educators and that implements the State's federal Race to the Top plan commitments by requiring the Department of Education to:

- (1) Review and revise, as appropriate and based on the principles and policy framework described in the State's Race to the Top plan, its recruitment, evaluation, support, tenure, incentive, classification, and compensation policies and practices to develop, measure, and hold educators accountable for facilitating student learning and growth;
- (2) Provide data to the Hawaii Teacher Standards Board for each state-approved teacher education program regarding the performance of each teacher that completes such a program and is employed by the Department; and
- (3) Report to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 2013, 2014, and 2015 on the performance management system status and effectiveness, actions taken by the Board of Education and Department with respect to the performance management system, and legislative action required to enable the system, as well as any other action required to enable implementation of the State's Race to the Top plan.

Your Committees received testimony in support of this measure from the Governor; Board of Education; Department of Education; National Governors Association; Kaneohe Ranch; Harold K.L. Castle Foundation; Hawaii Educational Policy Council; Kobayashi Development Group, LLC; and Hawaii Business Roundtable. Your Committees received testimony in opposition to this measure from IMUAlliance, and twenty-four individuals. Your Committees received comments on this measure from the Hawaii State Teachers Association and one individual.

Your Committees find that Hawaii's Race to the Top plan establishes clear principles, policy actions, and timetables for changes in policies, practices, and outcomes in areas critical to transforming Hawaii's public education system. At the time the Race to the Top plan was formulated, it received wide support from government, education, and community leaders, as well as from other education stakeholders.

Your Committees further find that ensuring educator effectiveness requires a comprehensive approach that sets forth clear expectations for students, aligned systems of support for educators, flexibility for innovation, and a performance-based management system for educational officers, principals, and teachers. In addition to the Race to the Top plan, measurements and supports to ensure educator effectiveness have been included in all versions of the reauthorization of the federal Elementary and Secondary Education Act and are likely to become core requirements for many federal title funds.

Your Committees have amended this measure by:

- (1) Adding a new section to chapter 89, Hawaii Revised Statutes, requiring that teachers be employed by the Department of Education for three years before being eligible for tenure, beginning with contracts negotiated for the contract period beginning July 1, 2013;
- (2) Making this measure effective on July 1, 2050, to encourage 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 Education and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2789, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2789, 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 (Chun Oakland, Ihara, Nishihara, Taniguchi). Noes, 1 (Gabbard). Excused, none.

SCRep. 2363 Tourism on S.B. No. 3048

The purpose and intent of this measure is to provide a stimulus, through tax relief, for large hotel and resort construction and renovation projects and for the operation of those hotel and resort projects for seven years after completion of construction and renovation.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority, Hawaii Lodging & Tourism Association, American Resort Development Association, Outrigger Hotels and Resorts, Marriott Vacation Club Resorts, Wyndham Vacation Ownership, Ko Olina Resort, Kyo-ya company, LLC; and The Pacific Resource Partnership. Your Committee received testimony in opposition to this measure from Page Marketing, Inc. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that this measure will provide a strong incentive for the upgrading of the State's aging hotel facilities – a key component in the successful branding of Hawai'i visitor industry product. Increasing visitor arrivals and spending depends on the improvement and enhancement of the Hawaii tourism brand, including the physical infrastructure.

Your Committee further finds that successful hotel and resort operations depend to a great extent on the employees who provide services for the guests, and that employee costs are a significant portion of overall operational expenditures.

Your Committee has amended this measure accordingly, by:

- (1) Establishing a refundable tax credit for employers who hire certain individuals at new or renovated hotel and resort facilities, that is equal to 4.5 percent of the wages paid to a qualified employee and makes the tax credit available to the employer for seven years after substantial completion of construction and renovation;
- (2) Amending the hotel and resort construction and renovation tax exemption as follows:
 - (A) Making it applicable to gross income only;
 - (B) Requiring pre-certification by the Department of Business, Economic Development, and Tourism, and authorizing a service fee for pre-certification;
 - (C) Clarifying that the general contractor and any subcontractors of the construction or renovation are signatory parties to collective bargaining agreements with the appropriate construction trade unions covering construction work in the State;
 - (D) Clarifying that construction or renovation costs shall not include costs incurred as the result of planned or routine maintenance or refurbishments that would ordinarily take place throughout the normal course of business; and
 - (E) Deleting provisions relating to ownership or operation of a hotel resort facility as eligible for the tax exemption; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee considers this measure a "work in progress" and encourages continued discussion of its merits and fiscal impacts as it moves through the legislative process.

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. 3048, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3048, 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. 2364 Health on S.B. No. 2935

The purpose and intent of this measure is to establish a public-private partnership to research, facilitate, develop, and implement a model and system of collaborative health care delivery in a county with a population between 100,000 and 170,000 that moves patients, including acute care patients, throughout the continuum of care efficiently, appropriately, and cost-effectively.

Your Committee received testimony in support of this measure from the Office of the Mayor of Maui County; two members of the Maui County Council; Hawaii Health Systems Corporation; Hale Makua Health Services' Board of Directors, C.E.O., and other personnel; United Public Workers, AFSCME Local 646, AFL-CIO; Maui Memorial Medical Center; Ohana Health Plan; and three individuals.

Your Committee finds that the public-private partnership established by this measure will encourage the appropriate discharge of patients not requiring acute care from acute settings and the placement of those patients into appropriate sub-acute care settings. These changes will result in more efficient and cost-effective quality post-acute care, serve patients better, and expand inpatient capacity at acute care facilities and allow acute care providers to better serve those who need care in an acute setting.

Your Committee has amended this measure by:

- (1) Requiring Hale Makua Health Services to become a membership corporation, with the Hawaii Health Systems Corporation as its sole member; provided that certain requirements are met; 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. 2935, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2935, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Majority Leader on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 2365 (Joint) Economic Development and Technology and Water, Land, and Housing on S.B. No. 3059

The purpose and intent of this measure is to implement the recommendations made by the University of Hawaii Public Policy Center in response to Act 181, Session Laws of Hawaii 2011, by requiring the Office of Planning to:

- (1) Convene a working group to establish guidelines for the Hawaii statewide sustainability partnership;
- (2) Determine key indicators for measuring sustainability and establish benchmarks for measuring short-term and long-term progress;
- (3) Translate the sustainability principles set forth in Act 181, Session Laws of Hawaii 2011, into clear objectives, specific actions, and accountability measures; and
- (4) Coordinate sustainability progress among the State and counties, including data collection, analysis, and reporting of accountability measures.

Your Committees received testimony in support of this measure from the Office of Planning; University of Hawaii System; Office of Economic Development, County of Kauai; The Nature Conservancy; Hawaii Green Growth Initiative; and one individual. Your Committees received testimony in opposition to this measure from the Land Use Research Foundation of Hawaii. Your Committees received comments on this measure from the State Procurement Office, Hawaii Farm Bureau Federation, and Building Industry Association of Hawaii.

Your Committees find that considerable work has already begun to identify sustainability programs and efforts throughout the State and to obtain further input through a community survey of organizations and individuals interested in and conducting work in sustainability. Your Committees further find that major progress has been made by each of the counties. The counties of Hawaii and Kauai have adopted sustainability plans. The City and County of Honolulu and Hawaii and Kauai counties have established a sustainability coordinator or manager position, and Maui County has an environmental coordinator.

Your Committees commend the collaborative efforts of those involved in meeting the State's sustainability goals, and are in support of the new initiatives in this measure.

Your Committees have amended this measure by:

- (1) Adding representatives of county government and energy, environment, agricultural, and community organizations to the membership of the working group; 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 Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3059, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3059, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 1 (Tokuda).

SCRep. 2366 (Joint/Majority) Economic Development and Technology and Education on S.B. No. 2990

The purpose and intent of this measure is to:

- (1) Require the University of Hawaii to contract with an independent third party to conduct a feasibility study to determine the effect of placing Aloha Stadium under the jurisdiction of the University of Hawaii rather than the Department of Accounting and General Services;
- (2) Require the University to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013 on the findings and recommendations of the feasibility study; and
- (3) Appropriate \$50,000 from the stadium special fund for fiscal year 2012-2013 for the University of Hawaii to contract with an independent third party to conduct the feasibility study.

Your Committees received testimony in support of this measure from one individual. Your Committees received comments on this measure from the University of Hawaii System and the Windward Ahupua'a Alliance.

Your Committees find that, while the University of Hawaii contributes to the revenues of the Aloha Stadium, given the diversity and broad scope of stadium users it would be more productive if the feasibility study included the development of a long-range plan for Aloha Stadium. The feasibility and cost benefits of placing Aloha Stadium under the jurisdiction of the University of Hawaii would then be considered within a broader context.

Your Committees have also reviewed the recommendation that the Department of Accounting and General Services would be the appropriate agency to oversee the feasibility study, as the Department has been responsible for the stadium's construction, operations, maintenance, promotion, and management from the stadium's inception.

Your Committees have amended this measure accordingly, by:

- (1) Requiring the Department of Accounting and General Services to contract with an independent third party to develop a long-range plan for Aloha Stadium, including a feasibility study to determine the cost benefits of placing Aloha Stadium under the jurisdiction of the University of Hawaii rather than the Department of Accounting and General Services;

- (2) Requiring the Department of Accounting and General Services to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013 on the long-range plan for Aloha Stadium, including the findings and recommendations of the feasibility study; and
- (3) Appropriating \$50,000 from the stadium special fund for fiscal year 2012-2013 for the Department of Accounting and General Services to contract with an independent third party for the long-range plan and feasibility study.

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. 2990, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2990, 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, 4 (Chun Oakland, Solomon, Taniguchi, Slom). Excused, none.

SCRep. 2367 Economic Development and Technology on S.B. No. 2539

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 comments on this measure from the Department of the Attorney General; Department of the Prosecuting Attorney, City and County of Honolulu; Hawaii Youth Services Network; and one individual.

Your Committee finds that at the 2011 Children and Youth Summit, bullying was the top priority for legislative action identified by the 125 participating youth and youth advocates, and cyberbullying was identified as one of several forms of bullying that need to be addressed.

Your Committee, however, has heard a number of concerns regarding the approach in this measure and has amended this measure to incorporate the recommendations of the Department of the Attorney General.

Your Committee has amended this measure accordingly, by:

- (1) Clarifying what constitutes the offense of harassment by cyberbullying;
- (2) Deleting the provision stating that a person convicted of harassment by cyberbullying may be required to undergo a counseling program as ordered by the court;
- (3) Deleting the definitions of "cyberbullying" and "nonconsensual contact";
- (4) Adding definitions of "electronic communication" and "public media forum";
- (5) Replacing the penalties for first, second, and third or subsequent offenses with one class C felony offense; 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 S.B. No. 2539, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2539, 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. 2368 (Joint) Economic Development and Technology and Public Safety, Government Operations, and Military Affairs on S.B. No. 2399

The purpose and intent of this measure is to:

- (1) Authorize a director of a state department to permit an individual or individuals to create urban art on property owned in fee simple by the State that is under the jurisdiction of the director's department; and
- (2) Require a director who authorizes urban art, in consultation with the State Foundation on Culture and the Arts, to select individuals to create the urban art.

Your Committees received testimony in support of this measure from one individual. Your Committees received testimony in opposition to this measure from the Outdoor Circle. Your Committees received comments on this measure from the State Foundation on Culture and the Arts and Historic Hawaii Foundation.

Your Committees find that urban art, which includes graffiti and tagging, is a form of social commentary and a vehicle of personal expression by young generations of city youth who are continuously looking for ways to have their voices heard. This measure is an effort to turn a problem into a service that benefits the community through assigning specific locations, art supplies, and procedures whereby young potential artists can express themselves without violating the law.

Your Committees consider this a viable solution by government officials to encourage urban art, in the spirit of public murals and street art, which have successfully engaged urban populations and diverse audiences in communities around the world.

Your Committees have amended this measure by:

- (1) Deleting the proposed new chapter on urban art and replacing it with the establishment of a pilot program for the creation of urban art under the direction of the State Foundation on Culture and the Arts;

- (2) Requiring the State Foundation on Culture and the Arts to establish procedures that permit an individual or individuals to create urban art on property owned in fee simple by the State;
- (3) Requiring the State Foundation on Culture and the Arts to consult with the Historic Preservation Division of the Department of Land and Natural Resources to review any proposal to create urban art to determine if the urban art may cause an adverse effect to a historic property, and if the Historic Preservation Division determines that a proposal would adversely affect a historic or cultural property, the urban art shall not be permitted;
- (4) Repealing the pilot project to create urban art on June 30, 2015;
- (5) Requiring the State Foundation on Culture and the Arts to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015 on the status of the pilot project to create urban art and any recommendation to extend the project on a permanent basis; 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 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. 2399, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2399, 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. 2369 (Joint/Majority) Energy and Environment and Economic Development and Technology and Water, Land, and Housing on S.B. No. 2511

The purpose and intent of this measure is to ameliorate the environmental impacts of single-use checkout bags by establishing a ten cent fee for each single-use checkout bag and using fees collected primarily to fund watershed protection, restoration, and acquisition.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Health, City and County of Honolulu Board of Water Supply, Maui County Department of Water Supply, Hawaii Food Industry Association, West Maui Mountains Watershed Partnership, Coordinating Group on Alien Pest Species, The Nature Conservancy, Surfrider Foundation, Zero Waste Kauai, Sierra Club, Citizens for Equal Rights, Conservation Council for Hawaii, Pearl City Highlands Elementary School Student Council, Retail Merchants of Hawaii, Sustainable UH, League of Women Voters, Safeway, Times Supermarkets, Down to Earth, Castle & Cooke Resorts, LLC, National Tropical Botanical Garden, Tamura's Market, Maui Land & Pineapple Company Inc., and forty-seven individuals. Your Committees received testimony in opposition to this measure from the Department of Budget and Finance and Renewable Bag Council. Your Committees received comments on this measure from the Department of Taxation, Office of Informational Practices, Tax Foundation of Hawaii, Verizon Wireless, and one individual.

Your Committees find that maintaining a healthy environment free of single-use checkout bag litter is critical to the economic growth of the State and does not unreasonably impinge on individual freedom of choice. Single-use checkout bag usage degrades the ocean environment to the detriment of marine animals and plants, recreational ocean users, and beach users. The economy of the State depends in large part upon its pristine natural environment, which draws visitors from around the world. This measure places Hawaii on par with other nations around the world that have embraced a fee on single-use checkout bags to curb the unsustainable proliferation of unsightly litter.

Your Committees recognize the need to sustain a clean, fresh water supply for the people of Hawaii and future generations. As recognized by the Legislature in Act 152, Session Laws of Hawaii 2000, fresh water is a finite resource, and its high quality, quantity, and sustainability depend upon forested watersheds. By providing that a percentage of the fees from single-use checkout bags be used to fund watershed protection, this measure ensures that fresh water is available for future generations.

Your Committees have amended this measure by:

- (1) Inserting a definition for the term "proprietary information";
- (2) Inserting language excluding bags used to transport chemical pesticides, drain-cleaning chemicals, or other caustic chemicals from the definition of "single-use checkout bag", provided that this exemption is limited to one bag per customer;
- (3) Clarifying that taxes imposed on fees retained by businesses are not to be charged to any consumer;
- (4) Replacing language requiring \$800,000 of fees collected annually to be deposited into a special account in the general fund, \$11,000,000 of the fees collected annually to be deposited into the natural area reserve fund, and any remaining fees to be deposited in the general fund with language requiring all fees collected to be deposited into a special account in the environmental management special fund, of which:
 - (A) The first \$800,000 per year shall be expended by the Department of Health; and
 - (B) Any remaining balance shall be distributed to:
 - (i) The environmental response revolving fund; or
 - (ii) The natural area reserve fund;
- (5) Including administrative, audit, compliance, and enforcement activities and educational outreach associated with the single-use checkout bag fee among the purposes of the environmental management special fund; and
- (6) 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 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 S.B. No. 2511, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2511, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11, Ayes with Reservations (Baker, English, Green, Ryan, Solomon, Tokuda, Wakai). Noes, 1 (Slom). Excused, 1 (Shimabukuro).

SCRep. 2370 (Joint) Water, Land, and Housing and Judiciary and Labor on S.B. No. 2852

The purpose and intent of this measure is to provide for transformative administrative penalty alternatives, and for an enhanced collection mechanism for outstanding fines and penalties resulting from aquatic resource violations.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, The Nature Conservancy, Malama Pūpūkea-Waimea, Conservation Council for Hawai'i, and one individual. Your Committees received testimony in opposition to this measure from the Hawaii Nearshore Fishermen and one individual. Your Committees received comments on this measure from the City and County of Honolulu Department of Customer Services.

Your Committees find that this measure will provide the Department of Land and Natural Resources with the authority to impose natural resource related community service for aquatic resource violations. This measure will also provide the Department of Land and Natural Resources with a mechanism to encourage timely payment of administrative fines and performance of community service through the revocation or suspension of a violator's driver's license privileges administered through the county examiners of drivers.

Your Committees have amended this measure by:

- (1) Requiring the Board of Land and Natural Resources to provide a violator's social security number or driver's license number to the county examiner of drivers; 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2852, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2852, 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 (Shimabukuro). Noes, none. Excused, none.

SCRep. 2371 (Majority) Water, Land, and Housing on S.B. No. 2927

The purpose and intent of this measure is to:

- (1) Rename the Hawaii Community Development Authority as the Hawaii Community Planning Authority;
- (2) Allow the Authority to create transit-oriented development zones;
- (3) Authorize the Authority to create business improvement districts and assess a special assessment to fund the improvements within the district; and
- (4) Authorize the Authority to act as a density rights bank.

Prior to the hearing, your Committee posted a proposed S.D. 1 of this measure that focused on the counties. The proposed S.D. 1 allows the counties to create county transit-oriented development programs, establish planning districts, and create a process for developers to apply for residential and commercial exceptional planning projects.

Your Committee received testimony in support of the proposed S.D. 1 from the Honolulu Authority for Rapid Transportation and Hawaii Laborers-Employers Cooperation and Education Trust. Your Committee received comments on the proposed S.D. 1 from the County of Kauai Planning Department and Land Use Research Foundation of Hawaii.

Your Committee finds that the State needs to streamline its efforts and implement ideas that would result in reasonable, rational, and equitable land use planning. Existing laws require unnecessary and often times burdensome regulations that lengthen the timing process of worthy development projects. This measure would provide for a more timely and efficient process for the development of Hawaii's lands.

Upon further consideration and cooperation with interested stakeholders, your Committee has amended the proposed S.D. 1 by, among other things:

- (1) Including a findings and purpose section;
- (2) Amending the definition of "exceptional planning project" to give flexibility to each county;
- (3) Reducing the number of days the county planning agency can extend the deadline of posting their final action to ten days;
- (4) Deleting language relating to unlicensed contractors and subcontractors;
- (5) Including state and county incentives for projects;
- (6) Changing the effective date to July 1, 2020; 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 S.B. No. 2927, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2927, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5, Ayes with Reservations (Fukunaga, Ryan, Tokuda). Noes, 1 (Slom). Excused, 1 (Shimabukuro).

SCRep. 2372 Public Safety, Government Operations, and Military Affairs on S.B. No. 2457

The purpose and intent of this measure is to require a hearings officer to affirm the decision of a procurement officer in protests, unless the procurement officer's decision is shown by clear and convincing evidence to be arbitrary, capricious, fraudulent, or clearly erroneous.

Your Committee received testimony in support of this measure from General Contractors Association of Hawaii; Ralph S. Inouye Co. Ltd; Associated Builders and Contractors Inc.; Grace Pacific Corporation; King & Neel, Inc.; S & M Sakamoto, Inc.; Healy Tibbitts Builders, Inc.; Royal Contracting Co., Ltd.; Nordic Construction PCL; Rons Construction Corporation; and Forest City Military Communities Hawaii. Testimony in opposition to this measure was received from the Department of Commerce and Consumer Affairs.

Your Committee finds that the intent of this measure is to simplify and expedite the procurement appeal process by recognizing the procuring agency's experience and expertise in the procurement process, while preserving the right of review of a procuring agency's decision to the Department of Commerce and Consumer Affairs.

Your Committee has amended this measure by:

- (1) On the recommendation of the General Contractors Association of Hawaii, inserting additional language that details a hearings process that better balances the expediting of procurements delayed by constant protest appeals with preservation of the right of review of a procuring agency's decision; 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. 2457, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2457, 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. 2373 Public Safety, Government Operations, and Military Affairs on S.B. No. 2647

The purpose and intent of this measure is to enact a new definition in the firearms law to define "place of formal hunting" to mean an area on state or federal land where hunting is permitted or an area on private land only where the landowner has granted written permission to an individual to use the land for hunting or target shooting, and to amend all relevant statutes relating to hunting with a firearm.

Your Committee received testimony in support of this measure from W. H. Shipman, Ltd.; Hawaii Cattlemen's Council, Inc.; and one individual. Testimony in opposition to this measure was received from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

Your Committee finds that this measure addresses a safety issue to farmers and ranchers and their families and workers. Persons hunting illegally can verbally inform anyone that permission was obtained from the owner or the owner's representative. Testimony indicated that existing provisions in the law are inadequate to deter persons with firearms from trespassing on lands and potentially causing bodily injury to others and damage to property, livestock, and crops. Testimony indicated that this problem is particularly serious on the Big Island where ranches with large acreage find it impracticable and nearly impossible to monitor thousands of acres of land, particularly at night when poachers appear to kill or steal livestock.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "place of formal hunting" to mean an area on private or public land where the landowner has granted written permission to an individual to use the land for hunting or target shooting;
- (2) Making it a misdemeanor to violate any provision relating to a place of formal hunting, in order to make it clear that it is not a felony, as is the case with violating certain other firearms laws;
- (3) Making amendments to chapter 183D, Hawaii Revised Statutes, relating to wildlife, to accommodate hunting in a place of formal hunting by requiring written permission by the landowners in addition to a hunting license, and to repeal the provision requiring certain procedures to enforce the law on prohibiting hunting on private lands, on the recommendation of the Department of Land and Natural Resources and the Hawaii Farm Bureau Federation;
- (4) Amending the crime of criminal trespass in the first degree to add the element of entering or remaining unlawfully on private property at night while in the possession of a firearm and deleting a requirement that premises in which a person possessing a firearm knowingly enters or remains unlawfully in or upon must be fenced or enclosed; 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. 2647, as amended herein,

and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2647, 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. 2374 Commerce and Consumer Protection on S.B. No. 2429

The purpose of this measure is to implement the recommendations of the Mortgage Foreclosure Task Force submitted to the Legislature for the Regular Session of 2012. Specifically, this measure, among other things:

- (1) Amends section 667-60, Hawaii Revised Statutes, which makes any violation of the mortgage foreclosure law under Chapter 667, Hawaii Revised Statutes, an unfair or deceptive act or practice subject to enhanced penalties under Chapter 480, Hawaii Revised Statutes, to:
 - (A) Specify the types of violations under Chapter 667 that constitute unfair or deceptive acts or practices;
 - (B) Limit the types of violations that may void a title transfer of foreclosed property; and
 - (C) Establish a time limit for filing actions to void title transfers of foreclosed property;
- (2) Makes permanent the process under Act 48, Session Laws of Hawaii 2011, for converting nonjudicial foreclosures of residential property into judicial foreclosures;
- (3) Addresses practical challenges in the operation of the temporary mortgage foreclosure dispute resolution program under Part V of Chapter 667, Hawaii Revised Statutes, including:
 - (A) Authorizing the Department of Commerce and Consumer Affairs to contract with approved housing counselors and approved budget and credit counselors;
 - (B) Providing owner-occupants with the option of completing the dispute resolution program election form on a website maintained by the Department of Commerce and Consumer Affairs;
 - (C) Increasing the amount of time to schedule a dispute resolution session;
 - (D) Removing the neutral foreclosure dispute resolution specialist's participation in the documentation of agreements between parties to a mortgage foreclosure dispute resolution case, to streamline the dispute resolution process; and
 - (E) Providing that failure by the mortgagee and the owner-occupant to reach an agreement does not constitute failure to comply with the requirements of the dispute resolution program;
- (4) With regard to condominium and planned community associations:
 - (A) Establishes an alternate power of sale process for the collection of unpaid assessments, modeled after the process set forth in Part II of Chapter 667, Hawaii Revised Statutes, as amended by the task force's recommendations;
 - (B) Places a two-year time limit on recorded liens for assessments, and prohibits such liens arising solely from fines, penalties, or late fees;
 - (C) Provides the associations with notice of an owner-occupant's decision to participate in the mortgage foreclosure dispute resolution program; and
 - (D) Allows associations to proceed with a nonjudicial foreclosure notwithstanding a stay of foreclosure proceedings arising from a dispute resolution case opening, if the association has not been notified of the foreclosure action by the foreclosing mortgagee or of the dispute resolution case opening;
- (5) With regard to planned community associations organized under Chapter 421J, Hawaii Revised Statutes:
 - (A) Provides these associations with the same options and protections as condominium associations with regard to association liens for assessments and the collection of unpaid assessments from tenants or rental agents; and
 - (B) Exempts these associations from the requirements of the mortgage foreclosure dispute resolution program in Part V of Chapter 667, Hawaii Revised Statutes, and the process under section 667-53, Hawaii Revised Statutes, allowing owner-occupants to convert nonjudicial foreclosures to judicial foreclosures, to parallel the existing exemptions for condominium associations;
- (6) Provides specific language explaining the foreclosure process for the public information notice that must be distributed by persons intending to use the power of sale foreclosure process under Part II of Chapter 667, Hawaii Revised Statutes;
- (7) Clarifies, improves, and corrects provisions of Act 48, Session Laws of Hawaii 2011, a mortgage foreclosure reform measure; and
- (8) Implements additional conforming amendments for consistency and clarity.

The Department of Commerce and Consumer Affairs, Legal Aid Society, and a concerned individual testified in support of this measure. The Community Associations Institute Legislative Action Committee; Hawaii State Bar Association; Hawaii Bankers Association; Hawaii Financial Services Association; Mililani Town Association; Hawaii First, Inc.; AOA 909 Kapiolani; Golf Villas at Mauna Lani AOA; Country Club Village; Villages of Kapolei Association; Certified Hawaii, Inc.; and twenty-three concerned individuals opposed this measure. The Hawaii Association of Realtors; RCO Hawaii, LLC; and Hawaii Credit Union League provided comments.

Your Committee finds that Act 162, Session Laws of Hawaii 2010, established the Mortgage Foreclosure Task Force to recommend policies and procedures to improve the way mortgage foreclosures are conducted in the State. Act 162 required the task force to submit its findings and recommendations, including any proposed legislation, to the Legislature for the regular sessions of 2011 and 2012.

Some of the task force's initial recommendations in its report to the Legislature for the Regular Session of 2011 were included in Act 48, Session Laws of Hawaii 2011, a far-reaching mortgage foreclosure reform measure that, among other things:

- (1) Temporarily authorized mortgagors who are occupying, as a primary residence, real property that is subject to nonjudicial foreclosure to either:
 - (A) Participate in the mortgage foreclosure dispute resolution program established under Act 48; or
 - (B) Convert the nonjudicial foreclosure to a judicial foreclosure;
- (2) Imposed a temporary moratorium on all new nonjudicial foreclosures conducted under Part I of Chapter 667, Hawaii Revised Statutes; and
- (3) Specified prohibited conduct and consequences of violations for foreclosing mortgagees, including making any violation of the mortgage foreclosure law under Chapter 667, Hawaii Revised Statutes, an unfair or deceptive act or practice subject to the enhanced penalties under Chapter 480, Hawaii Revised Statutes.

The task force met again over several public meetings during the legislative interim of 2011 to continue its work under Act 162. The focus of these meetings was divided among these major issues:

- (1) The new mortgage foreclosure provisions of Act 48, Session Laws of Hawaii 2011;
- (2) Matters involving condominium and other homeowner associations, including association liens and the collection of unpaid assessments; and
- (3) Mortgage foreclosure counseling and dispute resolution issues.

Based upon its deliberations on these issues, the task force adopted further recommendations in its report to the Legislature for the Regular Session of 2012.

As an initial matter, your Committee wishes to express its sincere appreciation for the significant amount of time and effort that the task force members spent reviewing the provisions of the mortgage foreclosure law under Chapter 667, Hawaii Revised Statutes, with a particular focus on the amendments made by Act 48, Session Laws of Hawaii 2011; attempting to resolve issues raised; and considering the interests and protection of consumers.

With the expiration of the moratorium (pursuant to Act 48) on new, nonjudicial foreclosures under Part I of Chapter 667, Hawaii Revised Statutes, on July 1, 2012, Hawaii will again have two discrete but overlapping nonjudicial foreclosure laws. Your Committee notes that numerous amendments have been made to the nonjudicial foreclosure process under Part II of Chapter 667 by Act 48 and this measure to craft a fair, comprehensive, and effective nonjudicial foreclosure law. Therefore, your Committee believes that repeal of the Part I nonjudicial foreclosure process should be considered.

Under Act 48, the temporary dispute resolution program, which applies only to nonjudicial foreclosures, currently is scheduled to end on September 30, 2014. Your Committee notes that although the program has been available since October 2011, mortgagees have not pursued nonjudicial foreclosures in Hawaii, ostensibly because of the perceived risk of undue liability under the provisions of Act 48 that make any violation of the mortgage foreclosure law an unfair or deceptive act or practice and thus subject to enhanced penalties under Chapter 480, Hawaii Revised Statutes. Your Committee finds that this measure addresses these concerns, and accordingly, your Committee believes that it is appropriate to make the dispute resolution program permanent in order to fairly assess the program's effectiveness in providing owner-occupants an opportunity to negotiate an agreement that avoids foreclosure or mitigates damages in cases where foreclosure is unavoidable.

In addition, your Committee finds that further amendments to this measure are necessary to ensure that association foreclosures and other remedies for the collection of unpaid assessments operate efficiently while preserving consumer protections. In particular, the application of these remedies to planned community associations organized under Chapter 421J, Hawaii Revised Statutes, needs to be carefully tailored to fit the processes and operations of these types of associations.

Finally, it has come to your Committee's attention that newspaper publication costs have soared to a level that makes compliance with requirements for publishing foreclosure notices significantly expensive. Your Committee received testimony stating that, since the passage of provisions in Act 48 requiring nonjudicial foreclosure notices to be published in a daily newspaper with the largest general circulation, the Judiciary's application of these requirements to judicial foreclosures have resulted in average advertising costs of \$2,000 per judicial foreclosure, compared with \$800 in 2008. This equates to a one hundred fifty per cent increase in judicial foreclosure publication costs between 2008 and 2011. The projected impact on publication costs for nonjudicial foreclosures, which remains to be seen given the halting of nonjudicial foreclosure proceedings since the passage of Act 48, is estimated at up to \$4,300 per foreclosure. These rising publication costs raise consumer protection issues because they are passed on to the borrower in mortgage foreclosure proceedings. Consequently, your Committee believes alternatives for publishing foreclosure notices, including an option for posting foreclosure notices on a website maintained by the Department of Commerce and Consumer Affairs, need to be explored. Therefore, your Committee has provided for website publication of notices of public sale for discussion purposes and pending further research by the Department of Commerce and Consumer Affairs on the feasibility of authorizing electronic publication for other foreclosure notices.

In light of these considerations, your Committee has amended this measure by:

- (1) Repealing the nonjudicial foreclosure process under Part I of Chapter 667, Hawaii Revised Statutes, to provide for a single nonjudicial foreclosure process under Part II of that chapter;
- (2) With regard to the mortgage foreclosure dispute resolution program under Part V of Chapter 667, Hawaii Revised Statutes:
 - (A) Making the program permanent by repealing its sunset date;
 - (B) Repealing the prohibition against participants of the program converting their nonjudicial foreclosure proceedings to judicial actions; and
 - (C) Providing that the written notification of a dispute resolution case opening, which operates as a stay of foreclosure proceedings, does not toll the time period for curing the mortgage loan default;
- (3) With regard to condominium and planned community association liens for unpaid assessments:
 - (A) Establishing provisions requiring the release of recorded liens upon full satisfaction of the recorded lien and discharge of any secured debt;
 - (B) Specifying that the associations are prohibited from foreclosing upon any lien against a unit arising solely from fines, penalties, legal fees, or late fees; and
 - (C) Eliminating the monetary cap (currently \$7,200) on the total amount of unpaid common area maintenance fees that an association may specially assess against a person who purchases a foreclosed unit, and instead limiting the recoverable amount to the last six months of fees assessed immediately prior to the completion of foreclosure proceedings, regardless of the dollar amount;
- (4) With regard to the nonjudicial foreclosure process established by this measure for condominium associations under chapters 514A and 514B, Hawaii Revised Statutes, and planned community associations under Chapter 421J, Hawaii Revised Statutes:
 - (A) Eliminating the requirement for staging open houses prior to the public sale of units subject to association foreclosures. On this point, your Committee was informed that in many association nonjudicial foreclosures, the unit's mortgage debt is higher than the unit's market value. This lowers the likelihood that anyone will bid on the unit in the foreclosure sale, and consequently, requiring public showings of the unit only increases the time and expense of foreclosures;
 - (B) Allowing associations to pursue the following remedies when the association is unable to serve the notice of default and intention to foreclose:
 - (i) Obtain court permission to proceed with nonjudicial foreclosure by serving notice only by publication and posting;
 - (ii) Proceed with nonjudicial foreclosure without court permission, after surrendering the right to a deficiency judgment and giving the unit owner a one-year right to redeem the unit; or
 - (iii) Rent out the unit, if the unit is unoccupied and the association sends notice to the unit owner's last known address;
 - (C) Providing that only the association, to the exclusion of other lienholders, may use the amount of the lien held against the unit to satisfy the downpayment required of successful bidders at the public sale of the unit;
 - (D) Amending the distribution of sale proceeds to ensure that the association's claim and foreclosure costs are paid before other claims;
 - (E) Clarifying what constitutes a "reasonable payment plan" that a delinquent unit owner may submit to the association following receipt of a notice of default and intention to foreclose;
 - (F) Allowing, rather than requiring, associations to record the notice of default and intention to foreclose in a manner similar to the recordation of notices of pendency of action;
 - (G) Adding a new definition of "assessment" to cover foreclosures of liens for assessments imposed by planned community associations under Chapter 421J, Hawaii Revised Statutes;
- (5) Amending the provisions affecting planned community associations organized under Chapter 421J, Hawaii Revised Statutes, to:
 - (A) Provide that the priority of association liens shall be as set forth in the association's governing documents, or by the date of recordation of the liens except as otherwise provided by law;
 - (B) Specify that in order to terminate a delinquent unit's access to common areas or services or demand rent from the tenant of delinquent unit owners, the association must act in accordance with a policy adopted by a majority vote of the association members present in person or by proxy at an association meeting, rather than a majority of all unit owners, or by the written consent of a voting interest equal to a quorum of the unit owners;
 - (C) Amend the provisions allowing the association to collect unpaid assessments from the tenant of the delinquent unit, to accommodate rent payments made other than monthly;
 - (D) Replace the arbitration option for a unit owner who pays the association the full amount claimed by the association with the option of mediation or filing a court claim to resolve disputes concerning the claim. This amendment was made because of the lack of specific provisions in Chapter 421J, Hawaii Revised Statutes, governing arbitrations;
- (6) With regard to the publication requirements for notices of public sale issued for the nonjudicial foreclosure process under Part II of Chapter 667, Hawaii Revised Statutes, and for the association nonjudicial foreclosure process established by this measure:

- (A) Eliminating the requirement that the notice be published in a daily newspaper with the largest general circulation within the area where the property lies, and instead establishing alternative criteria to facilitate publication in other newspapers of sufficient circulation; and
- (B) In lieu of publication by newspaper, allowing the notice to be posted on a website maintained by the Department of Commerce and Consumer Affairs, if the subject property is owned by an owner-occupant;
- (7) Changing the effective date of this measure to June 30, 2012, to ensure that the repeal of the nonjudicial foreclosure process under Part I of Chapter 667, Hawaii Revised Statutes, takes effect prior to the expiration of the moratorium on Part I nonjudicial foreclosures on July 1, 2012, pursuant to section 40 of Act 48, Session Laws of Hawaii 2011;
- (8) Eliminating the delayed effective date for the amendments to section 607-5(a) and (b) and section 667-53(a)(6), Hawaii Revised Statutes (amending the schedule of circuit court costs and fees to reference the fee for petitions to convert nonjudicial foreclosures of residential property into judicial proceedings and provide for the deposit of these fees into the Mortgage Foreclosure Dispute Resolution Special Fund); and
- (9) Making technical, nonsubstantive amendments for style, clarity, 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. 2429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2429, 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 (Slom). Noes, none. Excused, 1 (Nishihara).

SCRep. 2375 Education on S.B. No. 2115

The purpose and intent of this measure is to adopt the recommendations of the Charter School Governance, Accountability, and Authority Task Force (Task Force) by repealing chapter 302B, Hawaii Revised Statutes, and establishing a new charter school law that creates a solid governance structure for Hawaii's charter school system with clear lines of authority and accountability that will foster improved student outcomes.

Your Committee received testimony in support of this measure from the Governor; Board of Education; Charter School Administrative Office; Office of Hawaiian Affairs; National Association of Charter School Authorizers; National Governors Association; National Alliance for Public Charter Schools; Macalester College Center for School Change; Hawai'i Educational Policy Center; Kamehameha Schools; Hawaii Public Charter School Network; Kanu o ka 'Aina Learning 'Ohana; Ho'okako'o Corporation; Hawai'i Island Charter Schools; Hawaii Technology Academy; Hawaii Government Employees Association, HGEA/AFSCME, Local 152, AFL-CIO; Kaneohe Ranch; Sovereign Councils of the Hawaiian Homelands Community Assembly; Kewalo Hawaiian Homestead Community Association; Waianae Kai Homestead Hawaiian Homestead Community Association; Mokupuni O Oahu; Nanakuli Hawaiian Homestead Community Association; and three individuals. Your Committee received testimony in opposition to this measure from the State Procurement Office, Hawaii State Teachers Association, and six individuals. Your Committee received comments on this measure from the Hawaii State Ethics Commission.

Your Committee finds that the Task Force was established pursuant to Act 130, Session Laws of Hawaii 2011, in response to questions and concerns raised by policy makers and advocates alike about the integrity of Hawaii's charter school governance structure and the overall strength of Hawaii's laws in establishing clear lines of authority that ensure accountability of the charter school system.

Specifically, the goal of the Task Force was to provide clarity to the relationships, responsibilities, and lines of accountability and authority among stakeholders of Hawaii's charter school system, including the Board of Education, Department of Education, Charter School Administrative Office, Charter School Review Panel, and local school boards.

In conducting its work, the Task Force looked at various sections of the Charter School Model Law put forth by the National Alliance for Public Charter Schools and used the model law as a guide in compiling its recommendations to the Legislature.

The Task Force was also fortunate to have the assistance and input of the National Association of Charter School Authorizers and the National Governors Association.

After in-depth examination and discussion, the Task Force concluded its work and issued its report and recommendations to the Legislature. This measure encapsulates the Task Force's recommendations.

Your Committee notes that Hawaii's charter schools are ranked each year by the National Alliance for Public Charter Schools (NAPCS). Last year, Hawaii's ranking fell from thirty-fourth place to thirty-fifth place, out of a total of forty-two states. NAPCS reviewed this measure and testified that if this measure passes the Legislature, Hawaii's rank would move up fourteen spots to rank as the twenty-first state.

Your Committee further finds that this measure is a major departure from the current charter school law and believes that this measure will strengthen Hawaii's charter school system and will move Hawaii's charter schools toward greater student outcomes. Understanding this, your Committee recognizes that this measure is a work in progress that will continue to evolve as it moves through the legislative process, and that the key to successfully implementing these significant changes will be the allocation of time and resources to properly transition to the new charter school system.

Your Committee has amended this measure by:

- (1) Adding preamble language to reinforce the intent of Hawaii's charter school law to create new approaches to education and genuine opportunities for communities to implement innovative models of community-based education;
- (2) Defining the term "board" as the Board of Education;

- (3) Amending the definition of the State Public Charter School Commission (Commission) to clarify that the Commission is a statewide charter school authorizer;
- (4) Clarifying that a charter contract is a bilateral contract between a charter school and an authorizer;
- (5) Clarifying that an authorizer shall not provide technical support to a charter school it authorizes in cases where the technical support will impact any decision related to the authorization, renewal, revocation, or nonrenewal of the charter school;
- (6) Removing the cap on the number of members a charter school governing board may have;
- (7) Allowing the chief executive officer, chief administrative officer, executive director, or otherwise designated head of a charter school, to be an ex officio, non-voting member of the charter school's governing board;
- (8) Clarifying that charter school governing boards must post meeting agendas, meeting minutes, and the current names and contact information for governing board members at their respective authorizer's office and on their authorizer's website rather than at the Commission's office and on the Commission's website;
- (9) Adding language to require that applicants for start-up and conversion charter schools provide to the authorizer, as part of their application, a description of the constitution of the governing board, terms of governing board members, and the process by which the governing board members were selected;
- (10) Adding language to require authorizers, in reviewing applications for start-up and conversion charter schools, to take into consideration the constitution of the governing board, terms of governing board members, and the process by which the governing board members were selected;
- (11) Adding language to clarify that the application for each conversion charter school shall be approved by a majority of stakeholders of the existing public school rather than the potential charter school;
- (12) Requiring the majority vote of stakeholders to be considered by the authorizer as the primary indication of stakeholder approval to convert to a charter school and requiring that this vote shall be a key factor in an authorizer's decision to award a charter;
- (13) Requiring an applicant for a conversion charter school to provide the authorizer with a breakdown of the number of administrative, support, and teacher personnel, and parents that actually participated in the vote conducted on whether or not to convert to a charter school;
- (14) Requiring the Department of Education to establish educational reporting procedures, rather than a uniform data reporting system, which shall include minimum procedures for charter schools to report certain data to the Department starting with the 2013-2014 school year;
- (15) Adding language requiring the Department of Education to establish a process that permits employees of Department public schools that convert to charter schools to transfer to a Department public school governed by chapter 302A, Hawaii Revised Statutes;
- (16) Adding language to allow funds in the charter schools account to be used for the implementation of the new charter school law created by this measure and for any other purpose the Legislature deems appropriate;
- (17) Amending section 302B-12(i), Hawaii Revised Statutes, to allow funds from the charter schools account to be used by the Board of Education to hire an Implementation and Transition Coordinator pursuant to S.B. No. 2116 (2012), and for any other purpose the Legislature deems appropriate;
- (18) Amending the effective date to make the amendments to section 302B-12(i), Hawaii Revised Statutes, effective upon the approval of this measure; and
- (19) Making 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. 2115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2115, 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. 2376 (Joint) Education and Health on S.B. No. 2538

The purpose and intent of this measure is to require the Department of Education and the Hawaii High School Athletic Association to develop a concussion educational program for students and student athletes who are fourteen to eighteen years old.

Your Committees received testimony in support of this measure from the Department of Education; Department of Health; The Queen's Medical Center; Hawaii Chapter, American Physical Therapy Association; Hawaii Association of Athletic Trainers; Hawaii Medical Service Association; Hawaii Medical Association; Keiki Injury Prevention Coalition; Athletic Directors and Coaches Association; and two individuals.

Your Committees find that concussions among student athletes are a serious concern and an increase in understanding of the dangers associated with head injuries is an important step toward ensuring that the risk of serious injury is minimized. This measure will promote education on concussions and implement return-to-play guidelines targeted to minimize additional injury that a student athlete may sustain by returning to play while still experiencing symptoms of a concussion.

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. 2538 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 (Shimabukuro, Taniguchi).

SCRep. 2377 Commerce and Consumer Protection on S.B. No. 3002

The purpose and intent of this measure is to allow the Hawaii Real Estate Commission to impose penalties or fines on real estate brokers and salespersons who negligently or intentionally make misrepresentations or false promises, or negligently or intentionally fail to ascertain and disclose material facts.

Your Committee received testimony in support of this measure from the Hawaii Association of REALTORS, Honolulu Board of REALTORS, and Prudential Locations LLC. Your Committee received testimony in opposition to this measure from the Hawaii Real Estate Commission. 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 the amendments proposed by this measure add a state of mind requirement as grounds for disciplinary action by the Hawaii Real Estate Commission for misrepresentations, false promises, and failure to ascertain and disclose material facts by real estate brokers and salespersons.

Your Committee has heard the concerns that the addition of a state of mind requirement may restrict the Hawaii Real Estate Commission's ability to respond to conduct and the Regulated Industries Complaints Office's ability to investigate allegations of misconduct. Your Committee has also heard the concerns that the measure's strict liability standard requires punishment for any violation, no matter how inconsequential.

Your Committee therefore finds that amendments to narrow the focus of this measure, while still preserving the investigative powers of the Regulated Industries Complaints Office and the Hawaii Real Estate Commission, are necessary.

Your Committee has amended this measure by:

- (1) Deleting the language that specified state of mind requirements;
- (2) Clarifying that a real estate broker or salesperson shall not be held liable for misrepresentations in a real estate transaction if the misrepresentations were based on a good faith reliance on information provided by third-party individuals or provided in public records;
- (3) Clarifying that a real estate broker or salesperson shall not be held liable for failure to ascertain and disclose all material facts concerning a property if the real estate broker or salesperson had a good faith reliance on a prepared disclosure statement; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that administrative relief, not legislation, should be the first level of redress. Accordingly, interested parties have requested the Hawaii Real Estate Commission to address this matter administratively later this month. This measure is progressing in case an appropriate resolution cannot be reached through those means.

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. 3002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3002, 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, Solomon, Taniguchi).

SCRep. 2378 (Joint) Hawaiian Affairs and Public Safety, Government Operations, and Military Affairs on S.B. No. 2639

The purpose and intent of this measure is to enable the Department of Hawaiian Home Lands to place eligible native Hawaiians on Hawaiian home lands without having to wait for development infrastructure.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Sovereign Councils of the Hawaiian Homelands Assembly, and seven individuals.

Your Committees find that this measure is intended to expedite the kuleana homestead program by allowing the settlement of unimproved available lands. According to the Department of Hawaiian Home Lands, there have been no residential lease awards to dated under the kuleana homestead program. This measure provides flexibility to the Department of Hawaiian Home Lands to pursue placing more Hawaiians onto kuleana lands.

Your Committees have amended this measure by:

- (1) Inserting language to amend the Hawaiian Homes Commission Act to authorize the Department of Hawaiian Home Lands to allow lessees to settle, on a vacant homestead lot that has been awarded to the lessee, in a temporary structure for up to five years during construction of a legal, permitted, and permanent dwelling that complies with certain requirements; and
- (2) Inserting language to require the Department of Hawaiian Home Lands to conduct a public awareness campaign to educate affected communities about the provisions of this measure.

As affirmed by the records of votes of the members of your Committees on Hawaiian 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. 2639, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2639, 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, Solomon, Slom).

SCRep. 2379 (Joint) Hawaiian Affairs and Public Safety, Government Operations, and Military Affairs on S.B. No. 2212

The purpose and intent of this measure is to repeal the congressional consent requirement for amendments made to the provision relating to community-based governance on Hawaiian home lands.

Your Committees received testimony in support of this measure from the Council for Native Hawaiian Advancement, Sovereign Councils of the Hawaiian Homelands Assembly, Nanakuli Hawaiian Homestead Association, Waianae Kai Homestead Community Association, and Papakolea Community Development Corporation. Your Committees received comments on this measure from the Department of Hawaiian Home Lands.

Your Committees find that this measure will allow the Department of Hawaiian Home Lands and the homestead associations to act without the obstacle of a congressional gridlock in order to implement the partnerships originally encouraged and intended by the Legislature.

As affirmed by the records of votes of the members of your Committees on Hawaiian 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. 2212 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, 7. Noes, none. Excused, 3 (English, Solomon, Slom).

SCRep. 2380 (Joint) Hawaiian Affairs and Water, Land, and Housing on S.B. No. 2783

The purpose and intent of this measure is to:

- (1) Resolve all claims the Office of Hawaiian Affairs has asserted or raised, or could assert or raise, relating to the Office of Hawaiian Affairs' portion of income and proceeds from public land trust lands from November 7, 1978, up to and including June 30, 2012; and
- (2) Fulfill constitutional obligations to native Hawaiians by providing fee simple title to certain parcels of land situated in Kakaako makai to the Office of Hawaiian Affairs.

Your Committees received testimony in support of this measure from the Governor, Attorney General, Office of Hawaiian Affairs, a member of the Board of Trustees of the Office of Hawaiian Affairs, Department of Hawaiian Homelands, Kamehameha Schools, Association of Hawaiian Civic Clubs, Koolaupoko Hawaiian Civic Club, Oahu Council of the Association of Hawaiian Civic Clubs, South Kohala Hawaiian Civic Club, Na Lei Na'auao Native Hawaiian Charter Schools, Kanu O Ka Aina Learning Ohana, and ten individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the transfer of approximately \$200,000,000 worth of land located in Kakaako makai to the Office of Hawaiian Affairs constitutes a reasonable settlement of the Office of Hawaiian Affairs' longstanding claims to income and proceeds from the ceded lands. The property identified in this measure is virtually contiguous, suited for master planning, and located in an area of Honolulu that is already experiencing significant redevelopment. Your Committees recognize the value of these attributes and believe that property values could be enhanced by certain entitlements that, while not specifically provided for in this measure, could be obtained at a future date. The Office of Hawaiian Affairs may choose to work with the Hawaii Community Development Authority, the Public Land Development Corporation, or other entities to obtain entitlements, develop these ceded lands, or both.

The Office of Hawaiian Affairs, Governor, and Attorney General agree that certain disputes relating to the Office of Hawaiian Affairs' portion of ceded land receipts from the period November 7, 1978, through June 30, 2012, need to be resolved. This measure was drafted jointly by the Attorney General and the Office of Hawaiian Affairs, and introduced in the Legislature at the request of the Governor. The Office of Hawaiian Affairs testified in support of this measure, and testified that it is nearing completion of a comprehensive review of the property that this measure proposes to transfer.

Your Committees find that resolution of the decades-long dispute that has plagued state government and the Office of Hawaiian Affairs will have a positive impact on the Office of Hawaiian Affairs' beneficiaries and state government. The lands identified in this measure will provide a revenue stream to fund the Office of Hawaiian Affairs' services to its beneficiaries, while creating jobs and funding valuable programs in every corner of the State.

Your Committees further find that this measure is replete with significance for the people of Hawaii's host culture. In the future, transfer of the management and control of the Kakaako makai lands identified in this measure to the sovereign native Hawaiian entity, upon its recognition by the United States, may be appropriate. This measure not only impacts native Hawaiians in the immediate future, but also opens doorways to future reconciliation between the State and the native Hawaiian people.

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. 2783 and recommend that it pass Second Reading and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Slom, Tokuda).

SCRep. 2381 (Joint) Hawaiian Affairs and Water, Land, and Housing and Energy and Environment on S.B. No. 2792

The purpose and intent of this measure is to support programs funded through the Native Hawaiian rehabilitation fund by allocating to the fund a portion of geothermal royalties and revenue from public land dispositions to renewable energy producers.

Your Committees received testimony in support of this measure from the Department of Hawaiian Homelands, Sovereign Councils of the Hawaiian Homelands Assembly, and six individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and County of Hawaii Planning Department.

Your Committees find that funding to advance the purposes of the Hawaiian Homes Commission Act, 1920, as amended, has declined sharply. Programs affected by this decline in funding include higher education scholarships, financial literacy training and counseling, agricultural and pastoral technical assistance, and grants for Hawaiian homestead communities. The benefits of the transfer of payments proposed in this measure outweigh the negative impacts, if any, on existing programs or agencies.

Your Committees have amended this measure by:

- (1) Limiting the deposit of only those geothermal royalties collected by the State pursuant to sections 182-7 and 182-18, Hawaii Revised Statutes, from mining leases executed after July 1, 2012, into the Native Hawaiian rehabilitation fund;
- (2) Substituting the reference to a “renewable energy producer” in section 171-95, Hawaii Revised Statutes, with “nongeothermal renewable energy producer”, which exempts revenue from a public land disposition to a geothermal renewable energy producer from payment to the Department of Hawaiian Home Lands;
- (3) Leaving unspecified the percentage share of revenue from a disposition to a nongeothermal renewable energy producer to be paid to the Department of Hawaiian Home Lands, rather than requiring the Department of Hawaiian Home Lands’ share to be thirty percent;
- (4) Leaving unspecified the percentage share of geothermal resources royalties to be paid to a county in which geothermal resource mining occurs, rather than requiring the county’s percentage share to be not less than twenty percent;
- (5) Changing the Department of Hawaiian Home Lands’ share of royalties from geothermal resources from twenty percent to an unspecified percentage of all royalties, and conditioning receipt of those royalties on the receipt of an unspecified percentage of all state royalties by the county in which the mining operations are situated;
- (6) Leaving unspecified the rate of payment to the State for the use of geothermal resources, rather than requiring the rate to be no less than twelve percent of the gross amount or value of the geothermal resources produced under the lease;
- (7) Clarifying that the measure does not diminish the Office of Hawaiian Affairs’ pro rata portion of the public trust lands; 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 Hawaiian Affairs and 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. 2792, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2792, 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, 6 (Fukunaga, Green, Hee, Kahele, Slom, Tokuda).

SCRep. 2382 (Joint) Commerce and Consumer Protection and Economic Development and Technology on S.B. No. 2419

The purpose and intent of this measure is to allow the scanning and retention of personal information contained in a certificate of identification or driver’s license for only limited purposes.

Your Committees received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, City and County of Honolulu Department of Customer Services, Retail Merchants of Hawaii, and American Civil Liberties Union of Hawaii. Your Committees received comments on this measure from the Consumer Data Industry Association, AT&T, and one individual.

Your Committees find that a frequently used source of identity theft is information contained on an individual’s identification card or driver’s license. Because identify theft can have lasting negative repercussions on the life of the person whose identity is stolen, it is important to minimize the widespread use of this personal information.

Your Committees further find that a balance must be obtained by entities that lawfully use an individual’s personal information. Responsible entities must respect and protect an individual’s personal information while complying with state and federal laws and regulations that govern the collection of this information.

Your Committees have amended this measure by:

- (1) Moving the language for the new section contained in this measure from chapter 487R, Hawaii Revised Statutes, to the more appropriate chapter 487J, Hawaii Revised Statutes, and amending the title of chapter 487J accordingly;
- (2) Clarifying the forms of identification subject to this measure by changing references to a “certificate of identification” to a “Hawaii identification card” and deleting the definition for “certificate of identification”;
- (3) Clarifying the entities that may scan the machine-readable zone of an individual’s Hawaii identification card or driver’s license;
- (4) Limiting certain entities from retaining or using any scanned information except for specified purposes and setting a time frame for retention of this scanned information;
- (5) Deleting the proposed penalty language, as penalty provisions already exist in chapter 487J, Hawaii Revised Statutes;

- (6) Adding a definition of “scan”; 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 Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2419, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2419, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 8, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Galuteria).

SCRep. 2383 Human Services on S.B. No. 3057

The purpose and intent of this measure is to:

- (1) Establish a rebuttable presumption that a custodial parent’s decision regarding visitation is in the best interests of the child; and
- (2) Require the Family Court to consider various factors in awarding parental visitation rights.

Your Committee received testimony in support of this measure from four individuals. Your Committee received testimony in opposition to this measure from the Family Law Section of the Hawaii State Bar Association and one individual. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that the amendments proposed by this measure would determine visitation rights between a custodial and non-custodial parent. Your Committee understands the concerns that these amendments may allow a custodial parent in a child custody dispute to control the non-custodial parent’s visitation rights. This may result in custody battles between parents that are not in a child’s best interest. Your Committee also understands the concern regarding a potential unfair presumption in favor of a custodial parent. Your Committee therefore concludes that amendments addressing these issues are necessary.

Your Committee also notes that the Department of the Attorney General has raised concerns that this measure’s title, “Relating to Child Custody”, may not encompass the subject matter of this measure, which addresses child visitation.

Your Committee has amended this measure by:

- (1) Deleting language that established a rebuttable presumption that a custodial parent’s decision regarding visitation is in the best interests of the child and deleting language that set out factors for the Family Court to consider when determining parental visitation rights;
- (2) Establishing a rebuttable presumption that joint custody should be awarded if certain factors exist;
- (3) Adding language to permit the Family Court to award reasonable visitation rights for the grandparents of a minor child if denial of reasonable visitation rights would cause significant demonstrable harm to the child;
- (4) Adding language to establish a rebuttable presumption that a parent’s decision regarding grandparent visitation is in the best interests of a child and setting forth additional factors for the Family Court to consider when awarding grandparent visitation; 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. 3057, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3057, 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. 2384 Human Services on S.B. No. 2404

The purpose and intent of this measure is to establish:

- (1) An offense of excessive discipline of a minor under the age of eighteen years if the person causes bodily injury, serious bodily injury, or substantial bodily injury in the course of disciplining a minor by the use of certain objects; and
- (2) First, second, and third degree assault penalties, depending on severity of injury to the minor.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Prevent Child Abuse Hawaii; and one individual. Your Committee received testimony in opposition to this measure from two individuals.

Your Committee finds that establishing a specialized offense for excessive discipline of a minor would be a deterrent for child abuse and provide greater protection for Hawaii’s children. Moreover, correlating the level of offense to the level of injury inflicted on the child would require prosecutors to obtain a doctor’s opinion as to the severity of the injuries before a felony could be charged. This requirement would mirror felony assault statutes that have similar requirements.

Your Committee has considered recommendations to strengthen the effectiveness of this measure and amended this measure accordingly, by:

- (1) Clarifying the state of mind for the separate offenses, as:

- (A) Assault in the first degree if a person knowingly or intentionally causes serious bodily injury to a minor;
 - (B) Assault in the second degree if a person recklessly causes substantial bodily injury to a minor; and
 - (C) Assault in the third degree if a person negligently causes substantial bodily injury to a minor.
- (2) Adding language to delete provisions, from section 703-309, Hawaii Revised Statutes, relating to justifiable use of force by a parent or guardian or other person similarly responsible for the general care and supervision of a minor, or a person acting at the request of the parent, guardian, or other responsible person; and
 - (3) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2404, 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. 2385 (Joint) Water, Land, and Housing and Energy and Environment on S.B. No. 2782

The purpose and intent of this measure is to appropriate funds to the Department of Land and Natural Resources for the immediate protection of priority watershed forests to replenish Hawaii's water supplies and provide many other fundamental benefits to Hawaii's environmental health.

Your Committees received testimony in support of this measure from the Office of the Governor, Department of Land and Natural Resources, City and County of Honolulu Board of Water Supply, County of Maui Department of Water Supply, West Maui Mountains Watershed Partnership, Sierra Club, National Tropical Botanical Garden, The Nature Conservancy, Coordinating Group on Alien Pests Species, League of Women Voters, Conservation Council for Hawaii, Maui Invasive Species Committee, Good Shepherd Foundation, The Trust for Public Land, Castle & Cooke Resorts, Alexander and Baldwin, Maui Land & Pineapple Company, Hawaii Farm Bureau Federation, and sixty-seven private individuals.

Your Committees find that maintaining the supply of efficient quantities of water is a challenge due to numerous threats to the water supply, including population increase, climatic conditions, declining rainfall, loss of habitats, and forest-linked water recharge.

Forests are essential to providing water by absorbing moisture from rainfall and passing clouds that condense on thick vegetation and can increase groundwater supply by fifty percent. However, over half of our forests have been lost to invasive species. Your Committees find that the Department of Land and Natural Resources watershed program supports public-private partnerships to leverage state funds and provide a diverse range of local jobs. However, funding for these efforts is not sufficient and forest losses continue. Your Committees urge the Department of Land and Natural Resources to consider all available funding resources, including the deposit beverage container deposit special fund.

Accordingly, your Committees have amended this measure by:

- (1) Inserting an appropriation amount of \$5,000,000; 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 S.B. No. 2782, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2782, 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 (Shimabukuro, Solomon).

SCRep. 2386 (Joint) Water, Land, and Housing and Hawaiian Affairs on S.B. No. 2923

The purpose and intent of this measure is to rehabilitate the natural populations of all Hawaiian opihi species and establish a new direction for the management of the fishery. Specifically, this measure:

- (1) Establishes a ban on taking or harvesting opihi statewide, subject to open and closed seasons, bag limitations, and traditional Native Hawaiian gathering rights; and
- (2) Establishes a five-year moratorium on the harvesting of opihi on Oahu.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; the Office of Hawaiian Affairs; and three private individuals. Testimony in opposition to this measure was submitted by the Kuakini Hawaiian Civic Club of Kona; Tamashiro Market, Inc.; and two private individuals.

Your Committees find that opihi picking is a dangerous activity. "*He i'a make ka 'opihī*" means "opihī is the fish of death". A review conducted by the Department of Health reported that from 1993 to 1997, nine people drowned while picking opihi. On the Big Island alone between 1999 and 2009, at least thirteen opihi pickers died from drowning, falls from cliffs, or in one case, getting stuffed into a blowhole by waves.

Your Committees further find that despite the dangers of this activity, opihi is a delicacy that holds great cultural importance. As such, opihi populations are dwindling due to popularity and overharvesting. The breeding of adult opihi needs to be protected to ensure opihi populations will replenish themselves. Opihi have free swimming larvae that can disperse from the no take areas into

areas where harvesting is legal. However, Oahu requires more drastic actions to rehabilitate its opihi populations due to overharvesting.

Your Committees have amended this measure by:

- (1) Clarifying that the taking, harvesting, and possessing of opihi from the off-shore islets is prohibited;
- (2) Removing the provision that prohibits any person from simultaneously possessing live opihi, an underwater seeing or breathing apparatus, and an instrument commonly used as a tool to harvest or take opihi;
- (3) Changing the closed season dates for taking and harvesting opihi from above the waterline of the coastal areas or nearshore waters of the State, to align with opihi spawning times;
- (4) Clarifying that the bag limit for harvesting opihi applies to persons harvesting for non-commercial purposes; 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 Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2923, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2923, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 8, Ayes with Reservations (Slom). Noes, none. Excused, 4 (English, Fukunaga, Kahele, Tokuda).

SCRep. 2387 (Joint) Water, Land, and Housing and Agriculture on S.B. No. 3072

The purpose and intent of this measure is to transfer title to the Waiahole Valley Agricultural Park and residential lots subdivision from the Hawaii Housing Finance and Development Corporation to the Department of Agriculture.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau Federation and the Hawaii Housing Finance and Development Corporation. Your Committees received testimony in opposition to this measure from the Department of Agriculture.

Your Committees find that the Hawaii Community Development Authority adopted a resolution stating that the Waiahole Valley be developed as a farming community and that viable agricultural lands would be developed to its fullest potential. However, the current owners of the Waiahole Valley Agricultural Park and residential lots subdivision, the Hawaii Housing Finance and Development Corporation, does not have the expertise in agriculture or agricultural lands.

Your Committees further find that the Agribusiness Development Corporation is a more appropriate state agency to develop Waiahole Valley Agricultural Park to its fullest potential. Accordingly, this measure has been amended by:

- (1) Transferring the land to the Agribusiness Development Corporation, rather than the Department of Agriculture; 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. 3072, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3072, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Chun Oakland, Fukunaga, Tokuda).

SCRep. 2388 Human Services on S.B. No. 2314

The purpose and intent of this measure is to:

- (1) Establish the offense of financial and economic exploitation of a dependent elder and accompanying penalties;
- (2) Require financial institutions to report suspected financial abuse to the Adult Protective Services and proper local law enforcement agencies; and
- (3) Require two signatures of unrelated persons as witnesses to the execution of a power of attorney for health care.

Your Committee received testimony in support of this measure from the Judiciary, State of Hawaii; the Division of Financial Institutions, Department of Commerce and Consumer Affairs; the Department of Human Services; the Department of the Prosecuting Attorney, City and County of Honolulu; the Hawaii Credit Union League; Healthcare Association of Hawaii; and three individuals. Your Committee received comments on this measure from the Hawaii Bankers Association.

Your Committee finds that there have been an increasing number of cases involving financial exploitation of the elderly not only by caregivers, but by acquaintances, friends, and family members. Financial crimes against the elderly can take many forms, and can be just as devastating as physical injuries, leaving victims isolated, vulnerable, and scared.

Your Committee finds that this measure limits the protections offered to dependent elders because the offense of financial and economic exploitation of a dependent elder only applies if committed by a caregiver. Given the unfortunate fact that this type of financial and economic exploitation is often committed by acquaintances, friends, and family members of dependent elders, your Committee finds that these acts committed by any person should constitute the offense.

Your Committee also received testimony from the Division of Financial Institutions indicating that the reporting requirements for financial institutions may be overly burdensome.

Your Committee has therefore amended this measure by:

- (1) Expanding the scope of potential violators of the offense of financial and economic exploitation of a dependent elder to any person, not just caregivers, who performs or fails to perform certain acts, and deleting the definition of “caregiver”;
- (2) Streamlining the elements of the offense;
- (3) Amending the definition of “elder” to be any person sixty-two years of age or older;
- (4) Requiring financial institutions to report suspected financial abuse to the appropriate police department by telephone immediately, and by written report via electronic mail immediately or as soon thereafter as practically possible;
- (5) Amending language to require financial institutions to report suspected financial abuse to appropriate police departments, rather than the Department of Human Services;
- (6) Deleting language that requires the Department of Human Services to determine whether it has jurisdiction over an elder suspected of financial abuse and language that requires the Department to notify the proper local law enforcement agency;
- (7) Deleting the definition of “department”, in section 412:3-114.5, Hawaii Revised Statutes; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee requests that the Hawaii Bankers Association, the Hawaii Credit Union League, the Department of Human Services, and local police departments work collectively to develop a common reporting form and process for financial institutions to use to enhance consistent, efficient, and timely reporting.

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. 2314, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2314, 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. 2389 Human Services on S.B. No. 2123

The purpose and intent of this measure is to establish and appropriate funds for a program within the Office of Community Services to provide services, in coordination with other relevant state agencies, to survivors of human trafficking.

Your Committee received testimony in support of this measure from the Department of Human Services, the Department of Labor and Industrial Relations, Equality Now, the Hawaii Catholic Community, the Hawaii Coalition Against Domestic Violence, IMUAlliance, the Pacific Alliance to Stop Slavery, the Polaris Project, and two individuals. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney, City and County of Honolulu and the Harm Reduction Hawaii, and one individual. Your Committee received comments on this measure from the Office of Community Services, Department of Labor and Industrial Relations.

Your Committee finds that although the State has established programs that provide an array of services for victims of human trafficking, there appears to be a gap in service provided for an individual who is pending certification as a victim of a severe form of trafficking until approved by the federal government. This measure will alleviate the current gap in service for those waiting for certification by proposing a comprehensive plan coordinating relevant state-funded programs.

Your Committee notes that according to the testimony of the Department of the Prosecuting Attorney of the City and County of Honolulu, this measure, as currently drafted, imposes reporting requirements and requires sharing of confidential information between law enforcement agencies and the prosecuting attorneys offices that may be inappropriate, harmful, or possibly illegal. Your Committee also notes that establishing a program to provide services for survivors of human trafficking program under a single agency may be premature.

Your Committee has therefore amended this measure by:

- (1) Deleting its contents and inserting language to establish a working group within the Department of the Attorney General to develop a comprehensive state plan to coordinate services for survivors of human trafficking in new and existing communities; 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. 2123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2123, 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. 2390 Human Services on S.B. No. 2608

The purpose and intent of this measure is to allow Supplemental Nutrition Assistance Program benefits to be used to purchase hot food from lunch counters and lunch wagons, and fresh foods from farmers markets.

Your Committee received testimony in support of this measure from three individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services and one individual. Your Committee received comments on this measure from the Hawai'i Dietetic Association, the Office of Hawaiian Affairs, and nine individuals.

Your Committee finds that many low-income households do not have access to facilities to prepare meals, store fresh foods, and plan and create nutritious meals. Although allowing low-income households to use Supplemental Nutrition Assistance Program benefits for the purchase of hot meals served at lunch counters, lunch wagons, or food vending trucks may increase this population's access to hot food, these meals are not nutritious and actually promote unhealthy lifestyles.

Your Committee further finds that per Supplemental Nutrition Assistance Program regulations, recipients are not allowed to use the program's benefits to purchase hot or prepared meals unless a state elects to operate a restaurant meals program for qualified elderly, disabled, and homeless persons. From 1992 to 1998, Hawaii administered such a program, but discontinued the program due to complaints of abuse and a lack of staff to adequately monitor the program.

Your Committee has therefore amended this measure by:

- (1) Deleting language that authorizes the use of Supplemental Nutrition Assistance Program benefits to purchase hot food from lunch counters and lunch wagons, and fresh staple foods from farmers markets; and
- (2) Adding language requiring the Department of Human Services to submit a report to the Legislature no later than twenty days prior to the convening of the 2013 Regular Session that includes:
 - (A) The prospective homeless, elderly, or disabled population eligible to use Supplemental Nutrition Assistance Program benefits; and
 - (B) The feasibility of re-administering and overseeing a restaurant meals program to allow the use of the benefits to purchase hot or prepared meals at designated restaurants or facilities.

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. 2608, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2608, 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. 2391 Economic Development and Technology on S.B. No. 2111

The purpose and intent of this measure is to:

- (1) Increase the motion picture, digital media, and film production income tax credit to twenty-five percent of qualified production costs for any county with a population over 700,000 and thirty percent of qualified production costs for all other counties;
- (2) Increase the total tax credit cap to \$16,000,000;
- (3) Apply to qualified production costs incurred on or after January 1, 2012, and before January 1, 2027; and
- (4) Repeal the Act on January 1, 2027.

Your Committee held a hearing on this measure on February 6, 2012, and subsequently posted a proposed S.D. 1, for a hearing on February 13, 2012. As amended, this measure:

- (1) Establishes the minimum expenditure for a qualified digital media production at \$50,000;
- (2) Requires from fifty to seventy-five percent of production cast and crew positions to be filled by a legal resident of the State;
- (3) Authorizes the Director of Taxation to revoke or modify the eligibility for the production tax credit, establish grounds for forfeiture of the tax credit, and establish a penalty for submission of fraudulent information;
- (4) Requires the Department of Business, Economic Development, and Tourism to report annually on the return on investment and economic benefits of the tax credit to the State;
- (5) Adds definitions of "legal resident", "production expenditures", "qualified digital media project", and "qualified expenditures", and deletes the definition of "qualified production costs";
- (6) Incorporates language from S.B. No. 2462, to establish a motion picture, digital media, and film production infrastructure tax credit of fifty percent of qualified productions costs;
- (7) Requires the expenditure of at least \$10,000,000 in qualified infrastructure costs;
- (8) Provides for an annual payment to the Hawaii Film Office equal to one percent of the tax credit received by the taxpayer;
- (9) Provides for a 100 percent recapture of the tax credit if the infrastructure project ceases to meet the requirements of a qualified infrastructure project; and
- (10) Makes the infrastructure tax credit applicable to taxable years beginning after December 31, 2011.

Your Committee received testimony in support of this measure from Blue Water Multimedia, LLC; Cinderscape L.L.C.; International Game Developers Group; Island Film Group; Hyperspective Studios, Inc.; 1001 Stories LLC; Hawaii Media Inc.; SHM Partners/Film Studio Group; and two individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and the Mayor of Maui County.

Your Committee finds that the success of the Act 88, Session Laws of Hawaii 2006, film and television production credits in generating increased production activity in Hawaii provides the State with an opportunity to evaluate the cost benefits of the Act 88 credits in comparison with actions taken by other jurisdictions to stimulate film and digital media production activity, as well as identifying the best practices among other state and international production venues.

As such, your Committee notes that Act 88 production credits have raised the level of qualified production expenditures in Hawaii to an unprecedented level of \$383,520,000 in 2010, and over \$1,200,000,000 during the period 2006-2011, and should be lauded for establishing a benchmark for the local film and television industry. It is now appropriate to evaluate the level of direct and indirect benefits to the State that have been realized through use of these credits since 2006.

Your Committee finds that, during the period 2006-2011, the costs of the Act 88 production credits exceeded the tax revenue gains reported by the Department of Business, Economic Development, and Tourism in the following years: in 2010, when qualified expenditures were \$383,520,000, the estimated cost of the credits was \$47,890,000 as compared with an estimated \$34,520,000 in tax revenue gains; and in 2011, when qualified expenditures were \$184,070,000, the cost of the credits was \$20,050,000 as compared with an estimated \$16,570,000 in tax revenue gains. For the six-year period from 2006-2011, the Department of Business, Economic Development, and Tourism's estimate of the costs of the credits was \$122,590,000 as compared with an estimated \$113,740,000 in tax revenue gains.

During this six-year period, the numbers of full-time equivalent jobs directly related to Act 88 activity rose from 458 in 2006, to 3,696 in 2010, and 1,631 in 2011. However, data compiled from a number of sources make it difficult to quantify the exact numbers of full-time equivalent jobs being created through use of Act 88 credits, and your Committee believes that a consistent set of measurements for job growth reporting would aid in the evaluation of state benefit.

Your Committee further notes that the Act 88 production credits currently require a shared-card, end-title screen credit, where applicable; evidence of reasonable efforts to hire local talent and crew; and financial or in-kind contributions to educational or workforce development efforts. Educational or workforce contributions required under the existing Act 88 production credits are identified as the lesser of 0.1 percent of a production's "qualified production costs" or \$1,000 to a Hawaii public or charter school in terms of financial contribution, or in-kind equipment or educational programs; a minimum of one on-set craft apprenticeship with a local labor organization; or participation in a film-related seminar organized by the Hawaii Film Office. The Department of Business, Economic Development, and Tourism has estimated that \$80,000 to \$150,000 in direct financial or in-kind contributions, seminars, and paid or unpaid internships have been provided to public and private and charter schools and University of Hawaii students since 2006.

Your Committee is strongly supportive of efforts to hire local residents for Hawaii's film and digital media industry. Currently, forty states and Puerto Rico offer motion picture incentives, including tax credits, rebates and exemptions. Twenty-one of these jurisdictions either have a local hire requirement in order to receive the incentive or have an increased award for hiring local residents. Five states – Colorado, Florida, Indiana, Minnesota, and Texas – have a local hire requirement in order to receive the incentive. In Colorado for example, at least twenty-five percent of the workforce must be Colorado residents in order for a project to meet state incentive guidelines, and in Texas, seventy percent of the cast and crew must be Texas residents unless it is determined and certified by the Texas Film Commission that a sufficient number of qualified cast and crew are not available. In addition, fifteen states and Puerto Rico offer a supplementary award for hiring local residents.

Based on recommendations from experienced film and digital media industry developers, your Committee therefore posted a proposed S.D. 1 incorporating the same local hiring requirements that the State of Florida has utilized with its entertainment industry financial incentive program for further comment. The amendments adopted by your Committee therefore reflect a first step toward utilizing specific local hire requirements to increase the range of film and digital media jobs created by enhanced production credits, and to require annual reporting on the job creation and wages and salaries paid to such residents. By doing so, your Committee seeks to provide state agencies, policymakers, and Hawaii taxpayers with accurate measures of the cost benefits of tax credits used to develop Hawaii's emerging film and digital media industry.

Your Committee further finds that enhancement of the State's Act 88 credits offer an opportunity to leverage current state marketing efforts to achieve promotional or marketing opportunities far exceeding the dollar expenditure of the promotions. As a result, films such as "The Descendants" and "Pirates of the Caribbean", or television series such as "Hawaii 5-0" or "Lost" can and have already yielded promotional impacts far beyond the level of traditional spending by the Hawaii Tourism Authority and its local, national, and international marketing vendors.

Your Committee has further amended this measure by:

- (1) Expanding the purpose section to highlight the successes of Act 88, Session Laws of Hawaii 2006, and focus Hawaii's motion picture, digital media and film production credits on creating quality jobs for Hawaii residents and students;
- (2) Establishing the Hawaii film and digital media special fund; and repealing part IX, chapter 201, Hawaii Revised Statutes, relating to Hawaii television and film development;
- (3) Replacing the tax credit percentages and tax credit caps with unspecified amounts;
- (4) Clarifying that the annual reports shall include an estimate of the full-time equivalent positions for legal residents of this State and aggregate wages and salaries paid for positions created by each production or project;
- (5) Clarifying that "production expenditures" means the expenditures incurred by a qualified production within the State that are subject to the general excise tax under chapter 237, Hawaii Revised Statutes, or income tax under chapter 235, Hawaii Revised Statutes, and that have not been financed by any investments for which a credit was or will be claimed pursuant to section 235-110.9, Hawaii Revised Statutes;
- (6) Adding a definition of "qualified independent and emerging media project";

- (7) Replacing an annual payment to the Hawaii Film Office equal to one percent of the tax credit received by the taxpayer with an annual payment to the State equal to fifteen percent of the qualified infrastructure project's taxable income until such time as the credit has been repaid;
- (8) Making the infrastructure tax credit applicable to taxable periods beginning after June 30, 2012;
- (9) Repealing the infrastructure tax credit on January 1, 2027;
- (10) Inserting an effective date of July 1, 2050, to ensure 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 Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2111, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 2392 (Joint) Economic Development and Technology and Water, Land, and Housing on S.B. No. 2678

The purpose and intent of this measure is to appropriate \$100,000 for fiscal year 2012-2013 to the Department of Land and Natural Resources to preserve and develop the internment camp site in the Honouliuli district.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Hawaii Civil Rights Commission, Historic Hawaii Foundation, Japanese Americans Citizens League, Japanese Cultural Center of Hawaii, and two individuals.

Your Committees find that until recently, little was known about the location of World War II Japanese internment camps in Hawaii, and many people were unaware that any internment camp sites remained in the State. The Japanese Cultural Center of Hawaii began researching these sites over ten years ago in an effort to determine where these camps were located and what, if any, evidence of them remains. Various archaeological surveys determined the location, significance, historic properties, and area boundary of the Honouliuli site and after conducting an archaeological survey of the former internment camp site, the Honouliuli site was designated on the Hawaii Register of Historic Places in 2009.

Your Committees further find that the Japanese Cultural Center of Hawaii has been working with various organizations including Historic Hawaii Foundation, the University of Hawaii, the State Historic Preservation Division, the National Park Service, and others to identify, preserve, and interpret the Japanese internment camp experience in Hawaii. Your Committees understand that the National Park Service has awarded grant money to Hawaii-based organizations to fund work to preserve and interpret Japanese internment camp sites throughout the State, these efforts would be expanded with additional leadership and support from the State of Hawaii. Should the site be designated as part of the National Park System, it will be incumbent upon the State of Hawaii to take an active role in supporting the collection, preservation, and organization of educational resources that will help bring the history of Hawaii's wartime experience to life for residents and visitors.

Your Committees have amended this measure by:

- (1) Making clarifying amendments to the purpose section;
- (2) Requiring the Department of Land and Natural Resources to establish a Honouliuli Park Site Project Advisory Group to develop recommendations to leverage county, state, federal, and private funding for an educational resource center at the Honouliuli site;
- (3) Requiring the Advisory Group to work with the Japanese Cultural Center of Hawaii, Japanese American Citizens League, University of Hawaii at West-Oahu, historians, and other interested stakeholders, including business, veteran, community, legislative, and other organizations, and to complement the Japanese Cultural Center of Hawaii's goal of designating the Honouliuli internment-prisoner of war camp site and associated sites within Hawaii as part of the United States National Park Service;
- (4) Requiring the Advisory Group to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013; and
- (5) Depositing the \$100,000 general fund appropriation into the Hawaii historic preservation special fund, with the monies to be expended to accelerate the collection, preservation, and organization of resources related to the World War II internment experience in Hawaii.

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 S.B. No. 2678, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2678, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 1 (Tokuda).

SCRep. 2393 (Joint) Economic Development and Technology and Tourism on S.B. No. 3050

The purpose and intent of this measure is to:

- (1) Assign to the Hawaii Tourism Authority the responsibilities for film, television, digital, and new media development; and

(2) Repeal the film industry activities within the Department of Business, Economic Development, and Tourism.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Tourism Authority; and one individual. Your Committees received testimony in opposition to this measure from the Hawaii Film & Entertainment Board, Screen Actors Guild, International Alliance of Theatrical State Employees (IATSE) Mixed Local 665, American Federation of Musicians (AFM) Local 677, and Hawaii Teamsters Local 996. Your Committees received comments from the Department of Taxation and Department of Human Resources Development.

As the State evaluates the cost-benefits of the film and television production credits under Act 88, Session Laws of Hawaii 2006, your Committees find that a number of other jurisdictions have leveraged their investments in film, television, and digital media production with increased emphasis on the benefits of film-related tourism.

For example, New Mexico's widely discussed economic impacts study, "Economic and Fiscal Impacts of the New Mexico Film Production Credit" (January 2009), found that the benefits of its film production tax credit program extended beyond the direct and indirect economic impacts of film production expenditures. The state's economy also benefitted from capital investment to support the film industry's growth in the state and additional film-related tourism – with fifty-eight percent of the total number of direct and indirect jobs being generated from capital expenditures and film-related tourism. The combined economic activity created by the film production tax credit program also resulted in higher state and local tax collections. In 2011, the State of Georgia also identified film-related tourism spending as having contributed toward positive economic impacts that exceeded the costs of its production credits.

Your Committees further find that this measure provides a structure to optimize the development of the tourism and the film, television, digital, and new media industries by pooling diverse and fragmented resources to market and nurture their growth. It will do so by creating a sound base that can be built upon to develop the programs and infrastructure to expand Hawaii's opportunities in film, television, digital, and new media.

Your Committees have heard the concerns raised by a number of stakeholders regarding the most appropriate home for the State's film, television, digital, and new media activities and enhancements in support of the industry. While this measure does not address all those concerns, many of them have been addressed in S.B. No. 2111, S.D. 1, which substantially amends the provisions of Act 88, Session Laws of Hawaii 2006, related to tax enhancements for the film, television, digital, and new media industry.

Your Committees believe that providing alternatives for discussion and consideration throughout the legislative process will result in a more collaborative and comprehensive means of ensuring the growth of the film, television, digital, and new media industry.

Your Committees have amended this measure by:

- (1) Requiring the Hawaii Tourism Authority to restructure the debt service for state obligations related to the Hawaii Convention Center and fund the implementation of the film, television, digital, and new media development activities for fiscal year 2012-2013 and fiscal year 2013-2014 from the savings from any debt restructuring;
- (2) Inserting an effective date of July 1, 2050, to ensure further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees understand that the Hawaii Tourism Authority and the Department of Budget and Finance are in discussions regarding the restructuring of the debt service for state obligations related to the Hawaii Convention Center, and the subsequent use of the savings to fund the implementation of the film, television, digital, and new media development activities. Your Committees look forward to further updates on this critical matter.

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. 3050, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3050, 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 (Kouchi, Slom).

SCRep. 2394 (Joint) Water, Land, and Housing and Judiciary and Labor on S.B. No. 3028

The purpose and intent of this measure is to:

- (1) Ban the unlicensed destruction or harvesting of native sandalwood trees and establish penalties for violations;
- (2) Ban the export of raw or unprocessed sandalwood timber; and
- (3) Establish the Department of Land and Natural Resources' duties regarding protection of sandalwood.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Foundation for Islands of Harmony, and four individuals. Your Committees received testimony in opposition to this measure from JAWMIN LLC and two individuals. Your Committees received comments on this measure from the Hawaii Forest Industry Association and one individual.

Your Committees find that several species of sandalwood are endemic to Hawaii, meaning that they are found nowhere else in the world. Your Committees consequently find that immediate efforts to protect Hawaii's unique environment are critical in ensuring the continued future of Hawaii's rich biodiversity. Lastly, your Committees dedicate this measure to Iliahi Elementary School.

Your Committees have amended this measure by adopting language provided by the Department of Land and Natural Resources that will better enable the protection of other native forest resources that in the future may also be deemed in need of conservation.

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 are in accord with the intent and purpose of S.B. No. 3028, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3028, 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. 2395 (Joint) Water, Land, and Housing and Judiciary and Labor on S.B. No. 2207

The purpose and intent of this measure is to ensure fair compensation is provided when public land leased for agricultural or pastoral uses is withdrawn, condemned, or taken for public purposes.

Your Committees received testimony in support of this measure from the Hawaii Cattlemen's Council, Hawaii Farm Bureau Federation, Hawaii Aquaculture & Aquaponics Association, Hawaii Cattlemen's Association, and eight individuals. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees find that this measure arises from actions taken by the Board of Land and Natural Resources in November 2008 to deprive beef cattle ranchers of portions of their leases of public lands. Previously, several of these ranchers had lost significant portions of their leases by the Board's actions. These ranchers received no compensation for takings of their lease other than a reduced lease. Infrastructure loss and a need to reduce their herd size resulted in detrimental losses, particularly to smaller ranchers. Your Committees find that rent reduction is insufficient compensation, and that this Act is necessary to provide more equitable relief to lessees of public lands from partial takings or condemnations where the lessee is prevented from using the lands as originally intended.

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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2207, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2207, 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 (Ihara). Noes, none. Excused, none.

SCRep. 2396 Energy and Environment on S.B. No. 2822

The purpose and intent of this measure is to:

- (1) Create a recycling program for all electrically powered consumer products; and
- (2) Repeal the Electronic Waste and Television Recycling and Recovery Act.

Your Committee received testimony in support of this measure from the Department of Health, Sierra Club Hawaii Chapter, and one individual. Your Committee received testimony in opposition to this measure from the Custom Electronic Design & Installation Association, Equipment Leasing and Finance Association, Association of Home Appliance Manufacturers, Retail Merchants of Hawaii, Hawaiian Telcom, Hawaiian Hope, and one individual. Your Committee received comments on this measure from the County of Hawaii Department of Environmental Management, Consumer Electronics Association, Tax Foundation of Hawaii, Sims Recycling Solutions, Covanta Energy Corporation, and one individual.

Your Committee finds that proper waste handling and recycling of valuable materials is vital to protecting the health and welfare of the people of Hawaii and building a green economy. While the goals of this measure are laudable, many testifiers questioned the feasibility of implementing this measure in its current form. The effects of a government recycling program are complex and resonate across different sectors of society and various industries, as Hawaii has experienced with its fledgling Electronic Waste and Television Recycling Act. Your Committee believes that the type of recycling program proposed in this measure warrants further study and consideration by stakeholders constituting a diverse coalition of interests.

Your Committee has amended this measure by replacing language that:

- (1) Creates a recycling program for all electrically powered consumer products;
- (2) Repeals the Electronic Waste and Television Recycling and Recovery Act;
- (3) Transfers monies from the electronic device recycling fund to the electric device recycling fund; and
- (4) Authorizes the Department of Health to hire necessary personnel for its recycling program,

with language that creates a Hawaii electric device recycling task force composed of a diverse group of interested stakeholders and led by the Department of Health.

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. 2822, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2822, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4, Ayes with Reservations (Slom). Noes, none. Excused, 1 (English).

SCRep. 2397 (Joint) Human Services and Health on S.B. No. 2248

The purpose and intent of this measure is to:

- (1) Require the Hawaii Paroling Authority and the Department of Public Safety to establish a medical release program for inmates who are permanently and totally disabled, terminally ill, or geriatric and pose no public safety risk;
- (2) Request the Department of Public Safety to assess and refer inmates to the Hawaii Paroling Authority; and
- (3) Set conditions for medical release.

Your Committees received testimony in support of this measure from the Department of Public Safety, the Hawaii Paroling Authority, and two individuals. Your Committees received testimony in opposition to this measure from the Community Alliance on Prisons and one individual. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that a medical release program, also known as a compassionate release program, is designed to ensure that prisoners who are terminally ill are no longer punished through imprisonment. The medical release program can also help states address the growing costs of keeping inmates imprisoned. Your Committees also find that without a well-developed program with defined policies and processes, many inmates will die in prison without the medical services they need even though they no longer pose a threat to society.

Your Committees have amended this measure by:

- (1) Deleting its contents and inserting language to establish a compassionate release program that is substantively similar to the medical release program, with notable differences from the medical release program that include the following:
 - (A) The compassionate release program does not require convicted sex offenders to complete a sex offender treatment program in order to be eligible;
 - (B) The compassionate release program allows requests for compassionate release to be made by not only the Department of Public Safety but also the inmate; and
 - (C) The compassionate release program does not require a released inmate's physician to submit periodic assessments to the Hawaii Paroling Authority; 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. 2248, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2248, S.D. 1, and be referred to the Committee on Public Safety, Government Operations, and Military Affairs.

Signed by the Chair and Majority Leader on behalf of the Committees.

Ayes, 5, Ayes with Reservations (Slom). Noes, none. Excused, 3 (Baker, Ihara, Wakai).

SCRep. 2398 (Majority) Energy and Environment on S.B. No. 2823

The purpose and intent of this measure is to:

- (1) Increase the solid waste management surcharge; and
- (2) Clarify that the solid waste management surcharge applies to solid waste shipped outside the State for disposal and solid waste disposed of at waste-to-energy facilities.

Your Committee received testimony in support of this measure from the Department of Health. Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii. Your Committee received comments on this measure from Schnitzer Steel Hawaii Corp.

Your Committee finds that the existing solid waste management surcharge is the main funding source for the Department of Health's solid waste regulatory program. Your Committee further finds that the operating costs for the solid waste management program have steadily increased over the years. The amendments proposed by this measure will help the Department of Health address the changing waste management field and provide continued funding for the solid waste management 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. 2823 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 2. Noes, 1 (Slom). Excused, 2 (English, Ihara).

SCRep. 2399 Judiciary and Labor on S.B. No. 3001

The purpose and intent of this measure is to prohibit the interisland transportation of live game or wild mammals.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Coordinating Group on Alien Pest Species, the Nature Conservancy, and one private individual.

Your Committee finds that the introduction of non-native species to the State has a negative effect on Hawaii's environment and indigenous species in a variety of ways, including the direct predation on indigenous species; the spread of pathogens and diseases; competition with native species for limited food resources; the destruction of native vegetation and habitats; and erosion. For example, Axis Deer are causing great damage to native habitats and agricultural crops on Maui and are a danger to vehicular traffic on roadways. While many introductions of non-native species are accidental, others may be purposeful. This measure provides a deterrent to the purposeful spread of animals within the State and establishes penalties for the interisland transportation of live game or wild mammals.

Your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Department of Land and Natural Resources that:
 - (A) Replace references to “live game mammals or wild mammals” with “wild or feral mammals” to more precisely and appropriately specify the animal’s targeted by this measure;
 - (B) Clarify that the prohibition of interisland transportation of wild or feral mammals includes the intentionally, knowingly, or recklessly transferring, transporting, or releasing after transporting through interisland movement; and
 - (C) Define release as the freeing of an animal from effective confinement or restraint; 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. 3001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3001, S.D. 1, 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. 2400 Judiciary and Labor on S.B. No. 2487

The purpose and intent of this measure is to make abusive conduct against an employee in the workplace an occupational safety violation by:

- (1) Defining abusive conduct and an abusive work environment;
- (2) Including abusive conduct as a work injury for which workers’ compensation benefits may be paid;
- (3) Creating a private cause of action for emotional distress caused by:
 - (A) Another employee who is claiming to have made abusive conduct and the vicarious liability of the employer; or
 - (B) The employer who directly commits abusive conduct or whose workplace is an abusive work environment;
- (4) Establishing procedures for complaints, enforcement, judgment, and remedies for abusive conduct in the workplace; and
- (5) Requiring the Department of Labor and Industrial Relations to establish an education program for employers regarding abusive work environment and its legal consequences, and requiring employers to educate their employees accordingly.

Your Committee received testimony in support of this measure from the International Longshore and Warehouse Union Local 142 and five private individuals. Testimony in opposition to this measure was submitted by the Chamber of Commerce of Hawaii.

Your Committee finds that instances of bullying, abuse, and verbal harassment in the workplace caused by the abusive conduct of a coworker may cause employees to experience physical and psychological harm that may negatively impact their job performance and safety. Existing occupational safety and health laws obligate employers to provide a safe work environment. However, these laws do not provide for a safe work environment free from abusive conduct from employees. This measure provides protection against abusive conduct in the workplace as well as cause of action and remedies.

Your Committee appreciates the courage of two employees who appeared before your Committee to share their stories about the emotional distress they suffered as a result of their supervisor’s abusive conduct toward them. In 2008, they and two other coworkers filed a workplace violence complaint against their supervisor at the Department of Transportation and for a temporary restraining order to protect themselves in the event of retaliation. In lieu of the temporary restraining order, these employees were granted by the court a three-year mutual injunction against harassment. However, after the order was granted, the harassment continued for two more years. During this time, the employees sought assistance from the Department of Labor and Industrial Relations, but were told that because they were not considered part of any protected category, the Department was unable to provide them further assistance or redress. In 2010, these employees filed in circuit court a complaint against the Department of Transportation and their supervisor. The lawsuit was settled in 2011. The employees indicated to your Committee that settling their case was in their best interests because existing law did not provide them protection or redress. As such, your Committee recognizes the emotional distress these employees suffered as a result of the abusive conduct of their supervisor, and believes that this measure will provide safer work environments and better work productivity and efficiency.

Your Committee has amended this measure by:

- (1) Inserting the statutory contents of this measure as amendments to chapter 78, Hawaii Revised Statutes, rather than to chapter 396, Hawaii Revised Statutes, to make abusive conduct against a public employee by another public employee a workplace safety and health violation with oversight by the Department of Human Resources Development;
- (2) Inserting an effective date of July 1, 2050, to ensure 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. 2487, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2487, 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. 2401 (Joint) Water, Land, and Housing and Judiciary and Labor on S.B. No. 2856

The purpose and intent of this measure is to propose an amendment to article VII, section 12, of the Constitution of the State of Hawaii, to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Department of Budget and Finance; Hawaii Cattlemen's Council, Inc.; Maui Cattlemen's Association; Land Use Research Foundation of Hawaii; Ka'u Farm Bureau; Hawaii Farm Bureau Federation; Alexander & Baldwin, Inc.; and one individual.

Your Committees find that dams and reservoirs provide many public benefits and are a critical part of our State's infrastructure. Many of the dams and reservoirs in the State were constructed before 1940. This measure will provide dam and reservoir owners with a means to improve the safety of the dams and reservoirs in our State.

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 are in accord with the intent and purpose of S.B. No. 2856 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 (Tokuda).

SCRep. 2402 Water, Land, and Housing on S.B. No. 2933

The purpose and intent of this measure is to appropriate funds to the Department of Land and Natural Resources for the installation of eight swim zone buoys at Kamaole Beach.

Prior to the hearing on this measure, your Committee posted a draft S.D. 1, which amended this measure by:

- (1) Adding language to require the Department of Land and Natural Resources to adopt rules imposing stricter regulations for the safety of ocean users; and
- (2) Requiring the Department of Land and Natural Resources to report to the Legislature, no later than twenty days prior to the convening of the 2013 Regular Session, on the status of rule making and any other measures taken to promote the safety of ocean and beach users in the State's nearshore waters.

Your Committee received testimony in support of this measure from three Maui County Council Members and eight individuals. Your Committee received comments on 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 the last year alone, there have been two fatal boating accidents in the waters off of Maui and Lanai. Installing safety features such as swim zone buoys and requiring the Department of Land and Natural Resources to adopt rules imposing stricter ocean safety regulations will ensure greater ocean safety in highly populated areas of the State.

Your Committee has adopted the amendments in the draft S.D. 1, and has further 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. 2933, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2933, 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 (Shimabukuro).

SCRep. 2403 (Joint) Hawaiian Affairs and Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.B. No. 3016

The purpose and intent of this measure is to require the Department of Public Safety to plan for a model wellness center that employs native Hawaiian cultural practices on state land and to submit a report to the Legislature prior to the 2013 Regular Session.

Your Committees received testimony in support of this measure from the Department of Public Safety, Office of Hawaiian Affairs, Papa Ola Lokahi, Community Alliance on Prisons, Drug Policy Forum of Hawai'i, and eight individuals. Comments were received from the Department of Land and Natural Resources.

Your Committees find that the most recent information on the use of drugs, alcohol, and tobacco reveals a disturbing rise in the use of these substances among the native Hawaiian population. Many studies conducted nationally and statewide show native Hawaiians to be at particularly high risk for substance abuse. Among students in the eighth and tenth grades, native Hawaiian children rank highest among all ethnic groups in the use of these substances. The studies also show that substance abuse starts at an early age.

Your Committees further find that a pu'uhonua, or wellness center, based on Hawaiian cultural practices will help the native Hawaiian community and the community at-large. Unquestionably, many high risk individuals need to be cared for in a much more sensitive intervention program that will address solutions that will alleviate their problems.

Your Committees have amended this measure by:

- (1) Adding a work release pilot program on the island of Hawaii under the Department of Public Safety to allow incarcerated individuals on the island of Hawaii to work on community projects on the island of Hawaii that benefit the local community and the State, if those individuals who would work outside a correctional facility as part of the work release pilot program pose no threat to public safety, as determined by the Director of Public Safety;

- (2) Requiring the Department of Land and Natural Resources to collaborate with the Department of Public Safety to identify any potential community projects on the island of Hawaii that could benefit from using incarcerated persons;
- (3) Authorizing the Department of Public Safety to provide for the shelter of incarcerated persons outside of a correctional facility while participating in the work release pilot program on the island of Hawaii; and
- (4) Allowing the Department of Public Safety to receive public and private grants for the purposes of the pilot program.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs 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. 3016, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3016, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11, Ayes with Reservations (Slom). Noes, none. Excused, 3 (English, Fukunaga, Tokuda).

SCRep. 2404 (Joint) Water, Land, and Housing and Judiciary and Labor on S.B. No. 2524

The purpose and intent of this measure is to establish the Haiku Valley Cultural Preserve Commission that will have policy and management oversight of the Haiku Valley Cultural Preserve.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Koolaupoko Hawaiian Civic Club, Koolau Foundation, Kakoo Oiwi, and one individual. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources and one individual. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that Haiku Valley is of significant cultural and historic importance to the State and its residents. Haiku Valley is renowned for its archaeological, cultural, and historic sites, including loi, sacred sites, and burial sites. Your Committees find that preserving the Valley's cultural and historic resources and educating the public about these resources is of paramount importance.

Your Committees further find that the Valley's fragmented ownership and limited stewardship have placed its cultural and historic resources at high risk. Ensuring adequate management of, and appropriate access to, the Valley has proven elusive and consequently, a commission is deemed necessary to provide a system that recognizes the Valley's unique challenges and preserves in perpetuity its cultural and historic resources for the people of Hawaii.

However, your Committees understand the Department of Land and Natural Resources' reservations. Upon further consideration, your Committees have amended this measure by adopting suggested amendments from the Department to:

- (1) Require the Commission to establish boundaries, excluding private lands;
- (2) Change the membership of the Commission by designating the Executive Director of the Koolau Foundation and the Administrator of the Office of Hawaiian Affairs as members;
- (3) Repeal the administrative violation system as the Board of Land and Natural Resources has no process in place to vet decisions of the Commission; 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 are in accord with the intent and purpose of S.B. No. 2524, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2524, 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, none.

SCRep. 2405 (Majority) Water, Land, and Housing on S.B. No. 2366

The purpose and intent of this measure is to authorize the Public Land Development Corporation to designate development districts and allocate a percentage of general excise tax revenues collected in a development district to be used by the Corporation to pay principal and interest on bonds associated with projects located in the development district.

Prior to the hearing, your Committee posted a proposed S.D. 1 of this measure that replaced the contents with the following provisions:

- (1) Renaming the Hawaii Community Development Authority as the Hawaii Community Planning Authority;
- (2) Establishing planning districts centered around rail and bus transit stations or centers;
- (3) Creating a process for developers to apply for residential and commercial exceptional planning projects within the planning districts;
- (4) Authorizing counties to establish a transit-oriented development program;
- (5) Allocating general excise tax revenues collected within a planning district to be used by the Authority to pay principal and interest on bonds associated with projects located in a planning district;
- (6) Authorizing the Authority to create business improvement districts and community facilities districts and assess a special assessment to fund the improvement within the districts; and

- (7) Authorizing the Authority to act as a density rights bank.

Your Committee received testimony in support of the proposed S.D. 1 from the Honolulu Authority for Rapid Transportation, The Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, and Hawaii Laborers-Employers Cooperation and Education Trust. Your Committee received testimony in opposition to the proposed S.D. 1 from the Department of Budget and Finance. Your Committee received comments on the proposed S.D. 1 from the Hawaii Community Development Authority, County of Kauai Planning Department, Tax Foundation of Hawaii, and Land Use Research Foundation of Hawaii.

Your Committee finds that the State has reached an urgent need to streamline its current planning processes as the City and County of Honolulu moves toward the implementation of the Honolulu Rail Transit Project. Currently, there is no single entity to coordinate the additional future planning needs of the State due to our growing population and the opportunities surrounding the areas of proposed rail and bus transit stations. It is imperative that we place the necessary mechanisms for the proper planning and development of all Hawaii's lands.

Your Committee finds that the Hawaii Community Development Authority was established as a comprehensive authority for community development and is best suited as an agency to administer the state-wide planning and development. However, it is not your Committee's intent to jeopardize or supersede any existing agreements or contracts held by the authority specifically in the Kakaako community development district.

Upon further consideration and cooperation with interested stakeholders, your Committee has amended the proposed S.D. 1 by:

- (1) Including a findings and purpose section;
- (2) Amending the definition of "exceptional planning project" to give flexibility to each county;
- (3) Reducing the number of days the county planning agency can extend the deadline of posting their final decision regarding an application for an exceptional planning project;
- (4) Providing state and county incentives, such as exemptions from various fees, for exceptional planning projects;
- (5) Deleting language regarding unlicensed contractors or subcontractors;
- (6) Creating a general excise tax exemption for exceptional planning projects;
- (7) Requiring a qualified developer to submit its application first to the county planning agency and if the application is refused, allowing the developer to submit its application to the Hawaii Community Planning Authority;
- (8) Changing the effective date to July 1, 2020; and
- (9) Making 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. 2366, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2366, 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, Tokuda). Noes, 2 (Fukunaga, Sлом). Excused, 1 (Shimabukuro).

SCRep. 2406 (Joint) Water, Land, and Housing and Economic Development and Technology on S.B. No. 2918

The purpose and intent of this measure is to transfer the property surrounding the Aloha Stadium to the Hawaii Community Development Authority and create the Halawa Community Development District.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, Hawaii Building and Construction Trades Council, Windward Ahupua'a Alliance, and two individuals. Your Committees received testimony in opposition to this measure from the Office of Hawaiian Affairs. Your Committees received comments on this measure from the Hawaii Community Development Authority and Aloha Stadium Authority.

Your Committees find that over the years the Aloha Stadium has served as a preferred venue for major entertainment and recreational events, not just for sports but also for concert events. As a central venue, the stadium is also a planned terminal point for the proposed rail transit system. Your Committees are aware of additional opportunities to incorporate mixed use and transit-oriented development to strengthen the stadium and its surrounding properties as a self-sustaining premier venue for community gathering and major events. Furthermore, in order to assist in the financing, it is your Committees' intent to add a dedicated development special or trust fund into which development monies may be deposited and not raided.

Your Committees further find that the Public Land Development Corporation was created as an agency to develop public lands into suitable recreational and leisure centers where the public can congregate and where visitors can go as part of their vacation experience. Accordingly, your Committees find that the Corporation would be the more appropriate state agency to oversee the development of the stadium and its surrounding areas. However, your Committees are concerned with the operational and logistical issues that may adversely impact events held at the stadium, which has been successfully administered by the Stadium Authority.

Therefore, your Committees have amended this measure by deleting its contents and replacing it with language to:

- (1) Transfer the development rights of the Stadium Authority for certain parcels of land to the Public Land Development Corporation; and
- (2) Allow the Stadium Authority to retain certain duties and responsibilities relating to the transferred development rights until June 30, 2013, or until it is able to effectively transfer its duties and responsibilities to the Corporation, whichever occurs first.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2918, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2918, 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 (Ryan). Noes, none. Excused, 1 (Tokuda).

SCRep. 2407 (Majority) Energy and Environment on S.B. No. 2038

The purpose and intent of this measure is to require solar water heaters in new duplex dwellings and limit the circumstances in which a variance for a demand water heater may be granted.

Your Committee received testimony in support of this measure from the Kauai County Council, Sierra Club, Hawaii Solar Energy Association, Blue Planet Foundation, Palms Hawaii Architecture, and four individuals. Your Committee received testimony in opposition to this measure from the Land Use Research Foundation of Hawaii, Building Industry Association of Hawaii, and The Gas Company.

Your Committee finds that the administration of the solar water heater requirement has proven unusually difficult. Since the counties are directly affected by variances and keenly aware of local conditions, the counties may be better able to provide oversight of the variance process.

Accordingly, your Committee has amended this measure by:

- (1) Transferring administration of solar water heater variance applications from the Department of Business, Economic Development, and Tourism to the county permitting agencies;
- (2) Deleting language limiting the persons who may apply for a variance for a tankless, gas water heater to the occupant of the new house;
- (3) Inserting new language in section 196-6.5, Hawaii Revised Statutes, that allows the legislative body of each county to set the parameters by which its county permitting agency shall approve, disapprove, or approve with conditions any variance application; 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. 2038, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2038, S.D. 1, and be referred to the Committee on Water, Land, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 2 (English, Ihara).

SCRep. 2408 (Joint/Majority) Energy and Environment and Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.B. No. 3003

The purpose and intent of this measure is to:

- (1) Designate geothermal resources exploration and geothermal resources development as permitted uses in all state land use districts and all zones of the conservation district;
- (2) Repeal the geothermal resource subzone provisions in the state land use law; and
- (3) Exempt geothermal resources exploration from the requirements of the state environmental impact statement law.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, Innovations Development Group, Indigenous Consultants LLC, Pacific Resources Partnership, and Hawaii Laborers' Union. Your Committees received testimony in opposition to this measure from the Office of Environmental Quality Control, Environmental Council, Sierra Club, and one individual. Your Committees received comments on this measure from the University of Hawaii Environmental Center.

Your Committees find that regulatory barriers to geothermal resources exploration preclude development of geothermal resources. This measure will reduce the amount of time required to explore geothermal resources. Expediting the development of a firm source of renewable energy will benefit the public by reducing electricity rates throughout the State and particularly on Hawaii island in the near future.

Your Committees received testimony indicating that geothermal resources exploration may be eligible for an exemption from the preparation of an environmental assessment or environmental impact statement. The Office of Environmental Quality Control will review exemption applications this month. In light of the existence of the existing exemption process, your Committees find it unnecessary to exempt geothermal resources exploration from the state environmental impact statement law.

Your Committees have amended this measure by:

- (1) Deleting sections 2 and 7, which prohibited the Board of Land and Natural Resources and Department of Land and Natural Resources, respectively, from requiring an applicant for a geothermal resources exploration lease or permit to prepare an environmental assessment or environmental impact statement;
- (2) Deleting part V, which exempted geothermal resources exploration from the requirements of chapter 343, Hawaii Revised Statutes; and

- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee on Energy and Environment voted four ayes and one nay in favor of the measure as amended because your Committee feels strongly that there should not be blanket exemptions to environmental review when there is a process for agencies to request approval of an exemption list from the Environmental Council. Whereas, members of your Committee on Water, Land, and Housing voted aye with reservations because they felt that exemptions would expedite and facilitate future geothermal projects. Members of your Committee on Public Safety, Government Operations, and Military Affairs voted unanimously in favor of this measure as amended.

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. 3003, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3003, S.D. 1, and be referred to the Committees on Commerce and Consumer Protection and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 12; Ayes with Reservations (Solomon, Tokuda). Noes, 1 (Slom). Excused, 1 (Shimabukuro).

SCRep. 2409 (Joint) Energy and Environment and Agriculture on S.B. No. 2289

The purpose and intent of this measure is to authorize hydroelectric facilities as a permitted use on all classes of lands within state agricultural land use districts.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Hawaiian Electric Company. Your Committees received comments on this measure from the Department of Agriculture and Department of Land and Natural Resources.

Your Committees find that the development of hydroelectric energy-generating facilities in Hawaii is vital to the energy security and energy independence of the State. Increased use of renewable energy resources will achieve broad societal benefits, including resistance to increases in oil prices, environmental sustainability, economic development, and job creation.

Your Committees have amended this measure by:

- (1) Adding the legislature's findings regarding food security in the purpose section;
- (2) Specifying that hydroelectric facilities, if on agricultural land, must be on land that meets certain requirements and that the facilities must meet certain requirements as well; 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 Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2289, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2289, S.D. 1, and be referred to the Committee on Water, Land, and Housing.

Signed by the Chair and Majority Leader on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, English, Ihara, Shimabukuro, Tokuda).

SCRep. 2410 (Joint) Energy and Environment and Agriculture on S.B. No. 2197

The purpose and intent of this measure is to expand the classes of agricultural lands that are exempt from subdivision requirements for purposes of leases or easements for renewable energy facilities.

Your Committees received testimony in support of this measure from Hawaii Solar Energy Association and one individual. Your Committees received comments on this measure from the Department of Agriculture; Department of Business, Economic Development, and Tourism; and one individual.

Your Committees find that Act 217, Session Laws of Hawaii 2011, allowed solar energy facilities on class B and C agricultural land. However, the subdivision exemption only applies to class D and E agricultural lands. The amendments proposed by this measure will bring the subdivision exemption statute in line by allowing subdivision exemptions for solar energy facilities on class B and C agricultural lands.

Your Committees understand that the Department of Agriculture would like for agriculture to remain the primary activity on agricultural land. Your Committees understand this concern but are interested in striking a balance that will preserve agriculture activity and also permit appropriate renewable energy development on agricultural land.

Your Committees have amended this measure by:

- (1) Adding language that will limit a proposed subdivision to no more than two easements per legal lot on state agricultural land with class B or C soils;
- (2) Amending language in section 201N-14(d)(3)(A), Hawaii Revised Statutes, to provide consistency with the allowances in section 205-2(d)(6), Hawaii Revised Statutes;
- (3) Inserting language conditioning the use of solar energy facilities on state agricultural land with class B, C, or D soils by adding a provision that requires ongoing activity on agricultural land, unless a non-utility generator application for a project was submitted to an electric utility, or a proposed project was submitted to the Public Utilities Commission prior to the effective date 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 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. 2197, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2197, S.D. 1, and be referred to the Committee on Water, Land, and Housing.

Signed by the Chair and Majority Leader on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, English, Ihara, Shimabukuro, Tokuda).

SCRep. 2411 Ways and Means on S.B. No. 2012

The purpose of this measure is to:

- (1) Authorize the issuance of unspecified sums of general obligation bonds and appropriate the moneys obtained therefrom, in fiscal year 2011-2012, to fund various repair and maintenance, capital renewal, and capital improvement projects of the State of Hawaii; and
- (2) Provide work for unemployed and under employed residents.

In addition, among other things, the measure:

- (1) Proposes to issue \$500,000,000 in general obligation bonds to fund various projects;
- (2) Amends the public procurement process by raising the monetary ceiling from \$100,000 to \$250,000 on the value of procurement contracts to which the small purchase procurement process applies;
- (3) Exempts all repair and maintenance, capital renewal, and capital improvement projects that are subject to the measure from all county permit, license, and certificate requirements; provided that the projects still comply with the applicable county code requirements;
- (4) Exempts the entities, to which the measure allocates funds, from the procurement requirements under section 103D-102, Hawaii Revised Statutes;
- (5) Makes permanent certain exemptions from the procurement code contained in sections 103D-102, and 304A-105, Hawaii Revised Statutes;
- (6) Makes permanent the \$100,000 and \$250,000 small purchase procurement ceiling amounts contained in section 103D-305, Hawaii Revised Statutes; and
- (7) Makes other amendments that facilitate the expeditious execution of repair and maintenance, capital renewal, and capital improvement projects to stimulate the State's economy.

Prior to the hearing, your Committee circulated a Proposed S.D. 1. While the purpose and intent of the Proposed S.D. 1 is similar to the original bill, the proposed draft:

- (1) Deleted the section of the bill that amended section 103D-102, Hawaii Revised Statutes;
- (2) Deleted the section of the bill that would have made permanent certain exemptions from the procurement code, contained in sections 103D-102 and 304A-105, Hawaii Revised Statutes;
- (3) Deleted the section of the bill that made permanent the \$100,000 and \$250,000 small purchase procurement ceiling amounts contained in section 103D-305, Hawaii Revised Statutes;
- (4) Amended the expedited procurement process for the capital improvement projects authorized under the measure by raising the proposed contract value ceiling, from \$250,000 to \$1,000,000, for goods, services, or construction to which the small purchase procurement process applies;
- (5) Added a requirement that small purchase procurements funded by this measure be conducted through an electronic system;
- (6) Added an exemption from provisions concerning protests relating to solicitations and awards, pursuant to section 103D-701, Hawaii Revised Statutes, for small purchase procurements funded by this measure; and
- (7) Clarified that the county permit, license, and certificate exemption provided in the original version of the bill for capital improvement projects applies only to capital improvement projects with a cost of less than \$1,000,000.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services; the Judiciary; the Department of Budget and Finance; the University of Hawaii; the Department of Education; the State Procurement Office; the Hawaii State Public Library Systems; the Office of Planning, Department of Business, Economic Development, and Tourism; the Hawaii Health Systems Corporation; The Chamber of Commerce of Hawaii; the Hawaii Business Roundtable; the Pacific Resource Partnership; the Hawaii Construction Alliance; the General Contractors Association of Hawaii; the Hawaii Laborers' Union; BIA Hawaii; and the Hawaii Building and Construction Trades Council.

Your Committee received testimony in opposition to this measure from The Outdoor Circle.

Your Committee received comments on this measure from the Department of Land and Natural Resources and the Plumbing & Mechanical Contractors Association of Hawaii.

Your Committee has amended the Proposed S.D. 1 by:

- (1) Inserting specific sums totaling \$500,000,000 in general obligation bonds to fund the various projects, and reorganizing the listing of those projects;

- (2) Changing the expending agency designation for repair and maintenance projects for the Hawaii State Public Library System from the Department of Education to the Department of Accounting and General Services;
- (3) Authorizing designated expending agencies for capital improvement projects to delegate the execution of the project to other state or county agencies when it is advantageous for both agencies;
- (4) Establishing a legislative capital improvements program oversight committee to oversee and evaluate expenditure of the funds;
- (5) Requiring the Department of Accounting and General Services to prepare quarterly reports of the status of the appropriations and to submit those reports to the Legislature; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

In recommending passage of this measure by the Senate and Legislature, your Committee notes its intent that state agencies structure the procurement of work authorized under this measure in a manner that affords a broad spectrum of trades the ability to bid and be awarded contracts for projects appropriated by this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2012, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2012, 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 (Sлом). Noes, none. Excused, none.

SCRep. 2412 (Joint/Majority) Human Services and Health on S.B. No. 2659

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; the State Council on Developmental Disabilities; the Executive Office on Aging, Department of Health; Catholic Charities Hawai'i; Child & Family Service; Kapa Ola, Child and Family Service; the Coalition for a Drug-Free Hawaii; the Domestic Violence Action Center; Goodwill Industries of Hawaii, Inc.; the Hawaii Disability Rights Center; the Hawai'i Primary Care Association; the Hawaii State Coalition Against Domestic Violence; the Hawaii Substance Abuse Coalition; Legal Aid Society of Hawai'i; Maui Family Support Services; Mental Health America of Hawai'i; Moiliili Senior Center, Moiliili Community Center; Partners in Development Foundation; PHOCUSED; the Policy Advisory Board for Elder Affairs; Read Aloud America, Inc.; The Children's Alliance of Hawaii, Inc.; the University of Hawai'i System; the Waikiki Community Center; and fifteen individuals.

Your Committees received comments on this measure from the Department of the Attorney General; the Department of Budget and Finance; the Department of Health; the Department of Human Services; the Office of Community Services, Department of Labor and Industrial Relations; AARP; 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 Hawaii'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) In section 4, adding Catholic Charities Hawai'i on behalf of the Lanakila Multi-Purpose Senior Center and the Moiliili Community Center on behalf of the Moiliili Senior Center Program as recipients of grants;
- (2) In section 14, requiring the Department of Human Services, rather than the Hawaii Public Housing Authority, to report on the progress of the housing first pilot program;
- (3) In section 17, deleting language specifying The Path Clinic to be the recipient of a grant for services to pregnant women struggling with addiction and designating the Department of Health to provide these services;
- (4) In section 30, deleting language for the appropriation to the Hawaii Primary Care Association for outstationed eligibility worker services provided at federally qualified health centers and designating the Department of Human Services to provide this service;
- (5) In section 38, changing the expending agency to the Department of Health, rather than the Department of Human Services, for the grant to Planned Parenthood for statewide sexual health education;
- (6) In section 39, amending language that clarifies and expands the services the Partners in Development Foundation will provide;
- (7) In section 40, adding language that appropriates funds as a grant to People Attentive to Children for the preschool open doors program;
- (8) Deleting section 41, which would have provided funding to the Oahu About Face Family of Programs;
- (9) Adding language that appropriates funds to the Department of Education to provide non-school hour programs, and for the purchasing or leasing of vehicles by a school to provide students with transportation to attend the non-school hour programs; and
- (10) 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. 2659, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2659, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Majority Leader on behalf of the Committees.
Ayes, 5. Noes, 1 (Slom). Excused, 2 (Shimabukuro, Wakai).

SCRep. 2413 Ways and Means on Gov. Msg. No. 585.

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 1ST TAXATION DISTRICT (O'AHU)

G.M. No. 585 AUDREY ABE, for a term to expire 6-30-2015,

Your Committee has reviewed the resume submitted by the nominee and finds that Audrey Abe possesses the qualifications to be a member of the Board of Taxation Review, 1st Taxation District (Oahu).

Your Committee received testimony in support of the nomination of Audrey Abe from the Department of Taxation, the Hawaii State Commission on the Status of Women, and four individuals.

Upon review of the testimony and other information received, your Committee finds that the nominee is a qualified candidate to serve on the Board of Taxation Review. A Certified Public Accountant since 1977, Ms. Abe has performed auditing, management advisory services, tax consulting, and tax preparation for individuals, partnerships, corporations, non-profits, and estates. She possesses a Bachelor of Arts degree from San Jose State University and a Masters in Fine Arts from California Institute of the Arts. Ms. Abe is a small business owner. She is a Certified General Appraiser and owner of Abe Appraisals since 1992. Ms. Abe also is the owner and vice-president of Salt & Light Global LLC, a green energy company specializing in consulting and coordinating the installation and design of photovoltaic solar systems. Her broad business knowledge will be of great help to the Board of Taxation Review as it hears and decides disputes between taxpayers and tax assessors. Beyond her professional experience, Ms. Abe has a commitment to community and public service. She has served as a treasurer and an advisor for several non-profit and charitable organizations. Ms. Abe has the necessary knowledge, skills, and acumen to effectively and competently serve as a member of the Board of Taxation Review.

As affirmed by the records of votes of the members of your Committee on Ways and Means 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, 13. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2414 Ways and Means on Gov. Msg. No. 586.

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 1ST TAXATION DISTRICT (O'AHU)

G.M. No. 586 CURTIS SAIKI, for a term to expire 6-30-2013,

Your Committee has reviewed the resume submitted by the nominee and finds that Curtis Saiki possesses the requisite qualifications to be a member of the Board of Taxation Review, 1st Taxation District (Oahu).

Testimony in support of the nomination was submitted by the Department of Taxation and five private citizens.

Upon review of the testimony and other information provided, your Committee finds that Curtis Saiki received a Bachelor of Science in Accounting from Oregon State University, a Juris Doctor from the University of Oregon Law School with a business law certificate, and was a member of the Oregon Law Review for the years 1993-1995 he received a Master of Laws in Taxation at the University of Washington Law School. Curtis Saiki is an attorney licensed in the states of Hawaii and Washington, a current Vice-President of First Hawaiian Bank, and has accumulated almost twelve years of work experience within the field of taxation, law, and tax consulting. Mr. Saiki was also the Chairman of the Taxation Section of the Hawaii State Bar Association for the years 2004-2006, and 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, 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, 13. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2415 Ways and Means on Gov. Msg. No. 587.

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 2ND TAXATION DISTRICT (MAUI)

G.M. No. 587 RANDAL TANIGUCHI, for a term to expire 6-30-2015,

Your Committee has reviewed the statement submitted by the nominee and finds Randal Taniguchi to possess the requisite qualifications to be a member of the Board of Taxation Review, 2nd Taxation District, Maui.

Testimony in support of the nomination of Randal Taniguchi was submitted by the Department of Taxation.

Upon review of the testimony and the statement provided, your Committee finds that Mr. Taniguchi is a certified public accountant and has been employed in the accounting field for twenty-five years on Oahu and Maui. Mr. Taniguchi received a Bachelor of Business Administration degree from the University of Hawaii at Manoa.

As 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, 13. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2416 Ways and Means on Gov. Msg. No. 588.

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 4TH TAXATION DISTRICT (KAUAI)

G.M. No. 588 ALBERT SPENCER, for a term to expire 6-30-2015,

Your Committee has reviewed the resume submitted by the nominee and finds that Albert Spencer possesses the requisite qualifications to be a member of the Board of Taxation Review, 4th Taxation District (Kauai).

Your Committee received testimony in support of the nomination of Albert Spencer from the Department of Taxation, University of Hawaii, Hawaii Society of Certified Public Accountants, and two individuals.

Upon review of the testimony and other information received, your Committee finds that the nominee is a qualified candidate to serve on the Board of Taxation Review. Mr. Spencer has recently retired from employment as a professor at Kauai Community College where he taught accounting, tax, and economics since 1984. He is a licensed Certified Public Accountant and has worked as an auditor for Clay and Company CPA's in Honolulu. Mr. Spencer has a Bachelor of Science in Economics from Rider College and a Master of Business Administration with a concentration in Accounting from the University of Hawaii. He is an Air Force veteran who received the Air Force Commendation Medal in 1972. He has also received the Hawaii Society of Certified Public Accountants Distinguished Service Award, the University of Hawaii Board of Regents Excellence in Teaching Award, and the Hawaii Society of Certified Public Accountants Distinguished Accounting Educator Award. His knowledge will be of great help to the Board of Taxation Review as it hears and decides disputes between taxpayers and tax assessors. Mr. Spencer has a commitment to community and public service. He participates in the Volunteer Income Tax Assistance program and has been involved in youth soccer and basketball for twenty years. Mr. Spencer has the necessary knowledge, skills, and acumen to effectively and competently serve as a member of the Board of Taxation Review.

As affirmed by the records of votes of the members of your Committee on Ways and Means 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, 13. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2417 Ways and Means on S.B. No. 2771

The purpose of this bill is to reimburse seven state departments for the costs of providing emergency management, public safety, and security in preparation for and during the Asia-Pacific Economic Cooperation meetings held in Hawaii in November 2011.

Specifically, this bill appropriates the sum of \$2,709,966 in general revenues for fiscal year 2011-2012. The bill also requires that any federal reimbursement funds received for expenditures provided for by the bill be deposited into the general fund.

Your Committee finds that hosting the Asia-Pacific Economic Cooperation meetings last year provided the State a great opportunity to show the world that the State is capable of successfully hosting a globally significant event.

However, your Committee notes that although federal reimbursement for the State's expenses is being sought, such reimbursement is not guaranteed nor is it likely to be received during the current fiscal year.

Your Committee has amended this bill 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. 2771, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2771, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (English, Fukunaga, Kim, Tokuda).

SCRep. 2418 Ways and Means on S.B. No. 2808

The purpose of this measure is to ensure the uninterrupted provision of medically necessary services to participants in health care programs and timely payments to contracted health plans by making an emergency appropriation to cover the budget shortfall for health care payments.

Specifically, this bill appropriates the sum of \$11,881,157 in general revenues for fiscal year 2011-2012.

The Department of Human Services and Ohana Health Plan testified in support of this bill.

Your Committee finds that this emergency appropriation is necessary to ensure that payments to medicaid health care plans and providers will not have to be deferred for a month at the end of the current fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2808 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11, Ayes with Reservations (Kidani, Slom). Noes, none. Excused, 3 (English, Fukunaga, Tokuda).

SCRep. 2419 Agriculture on S.B. No. 2693

The purpose and intent of this measure is to amend the policies and priority guidelines for agriculture set forth in chapter 226, Hawaii Revised Statutes, to incorporate the promotion of and an increase in the consumption of Hawaii-grown foods and products as a state policy goal.

Your Committee received testimony in support of this measure from the Department of Agriculture; Department of Business, Economic Development, and Tourism's Office of Planning; The Sierra Club, Hawaii Chapter; Hawaii Farm Bureau Federation; Hawaii Farmers Union; Land Use Research Foundation of Hawaii; Environmental Caucus of the Democratic Party of Hawaii; and five individuals.

Your Committee finds that making a strong and clear policy statement to support locally grown products will increase access to fresh agricultural commodities while supporting the local agricultural industry and moving Hawaii to greater food sustainability.

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. 2693 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, 3 (Chun Oakland, Tokuda, Slom).

SCRep. 2420 Commerce and Consumer Protection on S.B. No. 2316

The purpose and intent of this measure is to require a cemetery or pre-need funeral authority to disclose the contact information for the Regulated Industries Complaints Office to a purchaser in a written contract for services and in a written notice provided at the time merchandise or services are delivered.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure recognizes consumers' potential vulnerability to unscrupulous practices when purchasing cemetery or funeral services. This measure provides consumers with timely and important contact information that consumers may reference if they have questions or concerns about their transactions or the services rendered.

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. 2316 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. 2421 Commerce and Consumer Protection on S.B. No. 3024

The purpose and intent of this measure is to modify the shareholder voting requirements for publicly traded corporations to adopt a plan of merger or share exchange.

Your Committee received testimony in support of this measure from Alexander & Baldwin, Inc. and Maui Land & Pineapple Company, Inc.

Your Committee finds that the Hawaii Revised Statutes require corporations incorporated in Hawaii before July 1, 1987, to obtain the affirmative vote of the holders of three-fourths of all issued and outstanding shares of stock prior to a merger or share exchange. Corporations incorporated in Hawaii on or after July 1, 1987, are only required to obtain the affirmative vote of the holders of a majority of each class of shares of stock prior to a merger or share exchange.

Your Committee finds that this measure should be limited to apply solely to mergers of wholly owned subsidiaries. This will enable Hawaii-based publicly traded corporations, regardless of when they were incorporated, to reorganize themselves within their family of related entities with the approval of a majority vote of shareholders.

Your Committee has amended this measure by:

- (1) Combining the amendments to section 414-313(e) and (f), Hawaii Revised Statutes, into amendments only under section 414-313(f), Hawaii Revised Statutes, that apply the shareholder voting requirement for:
 - (A) Corporations incorporated on or after July 1, 1987 (affirmative vote of a majority of holders of each class of shares), to only those plans involving a merger of a publicly traded corporation with or into a direct or indirect subsidiary corporation, of which all the outstanding shares of each class are owned, directly or indirectly, by the parent corporation; and
 - (B) Corporations incorporated before July 1, 1987 (affirmative vote of holders of three-fourths of all issued and outstanding shares of stock), to plans involving all other publicly traded corporations; and

- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the amendments proposed by this measure would affect four corporations in Hawaii, namely Alexander & Baldwin, Inc., Central Pacific Bank, Hawaiian Electric Industries, Inc., and Maui Land & Pineapple Company, Inc. Based on testimony received by your Committee, the above corporations find these amendments acceptable.

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. 3024, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3024, 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. 2422 Education on S.B. No. 2772

The purpose and intent of this measure is to clarify that the transfer of certain functions pertaining to Department of Education personnel and facilities by Act 51, Session Laws of Hawaii 2004 (Act 51), does not apply to the Hawaii State Public Library System and its employees.

Your Committee received testimony in support of this measure from the Hawaii State Public Library System (HSPLS), Department of Human Resources Development, and Department of Accounting and General Services (DAGS).

Your Committee finds that Act 51 transferred the control of certain functions pertaining to education personnel and facilities to the Department of Education; however Act 51 was silent as to HSPLS employees and HSPLS administrative and personnel functions. This measure will clarify the intent of the Legislature that HSPLS was not to be affected by this transfer of functions.

Your Committee has amended this measure by:

- (1) Adding language in the purpose section to clarify that despite the passage of Act 51, DAGS continues to be the expending agency for HSPLS' capital improvement funds and continues to perform repair and maintenance for HSPLS; 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. 2772, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2772, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Slom).

SCRep. 2423 Health on S.B. No. 417

The purpose of this short form bill is to amend the law relating to health.

Prior to the hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. Your Committee has adopted the proposed S.D. 1, which amends this measure by inserting language that changes the membership of the Hawaii Health Systems Corporation's corporation board by:

- (1) Adding a member who alternately represents the eastern and western regions of the county of Hawaii;
- (2) Replacing the regional chief executive officers with community members from each respective region; and
- (3) Removing the at-large member selected by the Governor.

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. 417, as amended herein, and recommends that it be recommitted to the Committee on Health, in the form attached hereto as S.B. No. 417, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2424 Commerce and Consumer Protection on S.B. No. 2013

The purpose and intent of this measure is to require a dental hygienist license to be prominently displayed at all times in the office where the dental hygienist is employed or practices.

Your Committee received testimony in support of this measure from the Board of Dental Examiners, Hawaii Dental Hygienists' Association, and nine individuals.

Your Committee finds that thirty-two states mandate that a dental hygienist license be prominently displayed in a dental office. This measure would extend this requirement to dental hygienists licensed in Hawaii. Your Committee further finds that although a certificate of license signifies that a dental hygienist received a license in the State, it does not reflect whether the license is current. A pocket identification card that indicates the expiration date of a license is issued to dental hygienists at initial licensure and at each subsequent license renewal. Your Committee concludes it would be prudent for dental hygienists to display a copy of their certificate of license and have their pocket identification card available upon request.

Your Committee has amended this measure by:

- (1) Clarifying that a copy of the currently renewed certificate of license shall be prominently displayed in the office where the dental hygienist is employed or practices; and

- (2) Requiring a dental hygienist who is employed at or practices in more than one office to have the dental hygienist's pocket identification card available for viewing upon request.

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. 2013, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2013, 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, Green, Nishihara).

SCRep. 2425 Commerce and Consumer Protection on S.B. No. 2438

The purpose and intent of this measure is to require the submission of an economic impact analysis with any application to the Public Utilities Commission that has a fiscal impact, and to require the Public Utilities Commission to provide a final analysis with any decision and order.

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 Public Utilities Commission, Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and Hawaiian Electric Company, Inc.

Your Committee finds that economic impact analyses can provide a clear picture of the advantages and disadvantages of any given proposal. However, concerns were raised that the mandatory economic impact analysis proposed by this measure may have unintended negative consequences for small businesses and would have significant budgetary impacts on the Public Utilities Commission, delaying the regulatory process.

Your Committee notes there is merit to formalizing some economic impact analysis, but understands that these concerns are important to take into account. Your Committee finds that the Public Utilities Commission considers economic impact when appropriate, and therefore concludes that a mandatory economic impact analysis is not required.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with language that permits the Public Utilities Commission, in making its final determination on renewable energy projects, to take into consideration the economic impact of these projects; provided that the Department of Business, Economic Development, and Tourism first provides the Public Utilities Commission with the appropriate analysis for consideration; 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. 2438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2438, 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. 2426 Human Services on S.B. No. 2713

The purpose and intent of this measure is to amend sections 346-29.5(b) and 346-37(g), Hawaii Revised Statutes, to clarify that the lien amounts stated in the Notices of Lien produced by the Department of Human Services against real property or for reimbursement of medical assistance or burial costs paid for a recipient shall be presumed to be valid.

Your Committee received testimony in support of this measure from the Department of the Attorney General, the Department of Human Services, and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice. Your Committee received comments on this measure from one individual.

Your Committee finds that the lien amount issued by the Department of Human Services in the Notices of Lien have been challenged on numerous occasions in cases where the Department is seeking restitution for medical payments for a Medicaid recipient who was injured by a criminal defendant. Currently, when a lien amount is challenged, the Department of Human Services investigates and verifies that each charge is valid, which is expensive and time consuming.

Your Committee also finds that this measure, as it is currently drafted, presumes that the entire lien amount claimed in the Notice of Lien is valid. This is problematic because the Notice of Lien only contains the total amount claimed and does not include an itemized list of payments. Where the Department of Human Services seeks restitution in connection with criminal sentencing, persons being sentenced may not be fully aware of the nature and extent of the injuries that they caused and the treatments and their associated costs for those injuries.

Your Committee has therefore amended this measure by:

- (1) Adding language to limit the presumed validity of the entire lien amount to cases in which restitution is sought in connection with the sentencing of a third person who has caused injury to a recipient of medical assistance;
- (2) Adding language to require the Department of Human Services to provide the person against whom restitution is sought with a written notice of lien that itemizes payments and includes certain information;
- (3) Adding language to require the entire lien amount to be presumed valid absent a good faith basis contesting the amount or validity of specific line item charges in the lien; 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 S.B. No. 2713, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2713, 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. 2427 (Joint) Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing on S.B. No. 2047

The purpose and intent of this measure is to increase the time the county councils have to review affordable housing projects from forty-five to sixty days.

Your Committees received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Hawai'i Association of Counties, and one individual. Testimony in opposition was received from the Hawaii County Office of Housing and Community Development.

Your Committees find the forty-five day window for a legislative body to approve, approve with modification, or disapprove an affordable housing project to be an inadequate amount of time to have a meaningful discussion on a proposed project. Allowing sixty days will still provide for an expedited review while increasing the amount of time the legislative body of a county has to exercise its due diligence in evaluating a proposed project.

Your Committees have amended this measure by deleting the authority of the county legislative body to approve with modification.

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. 2047, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2047, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Kidani, Tokuda).

SCRep. 2428 Water, Land, and Housing on S.B. No. 2742

The purpose and intent of this measure is to designate the Chairperson of the Hawaiian Homes Commission and the Director of the City and County of Honolulu Department of Planning and Permitting, or their designated representatives, as ex officio, voting members representing the Kalaeloa Community Development District on the Hawaii Community Development Authority.

Your Committee received testimony in support of this measure from the City and County of Honolulu's Department of Planning and Permitting.

Your Committee finds that the Hawaii Community Development Authority has had difficulty achieving quorum and that the membership should therefore be amended for not only the Kalaeloa Community Development District, but for the entire Authority, to encourage timely decision-making processes.

Accordingly, your Committee has amended this measure by deleting its contents and inserting language to:

- (1) Add the Director of the City and County of Honolulu Department of Planning and Permitting, Chairperson of the Hawaiian Homes Commission, and a cultural expert appointed by the Governor as members of the Authority in each initial community district;
- (2) Remove the Director of Transportation and the two members selected from a list submitted by the Senate President and the Speaker of the House of Representatives from the membership of the Authority representing each initial designated district;
- (3) Clarify that the Governor shall appoint three additional county members if an additional district is designated;
- (4) Remove the five additional voting members for the Kalaeloa Community Development District from the Authority;
- (5) Include a purpose section to accurately reflect the amended provisions of the measure; and
- (6) Change the effective date to July 1, 2020, to ensure further discussion.

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. 2742, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2742, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6, Ayes with Reservations (Ryan). Noes, none. Excused, 1 (Shimabukuro).

SCRep. 2429 Judiciary and Labor on S.B. No. 2497

The purpose and intent of this measure is to set forth efficient and inexpensive procedures for litigants to depose out-of-state individuals or to obtain discoverable materials that may be located outside of the trial state.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation.

Your Committee finds that uniform procedures have become necessary as the amount of litigation involving individuals and documents located outside of the trial state has increased. The Uniform Interstate Depositions and Discovery Act addresses the problems of depositing out-of-state individuals and obtaining out-of-state discovery by setting forth uniform procedures that require minimal judicial oversight and provide clear rules governing discovery.

By adopting the provisions of the Uniform Interstate Depositions and Discovery Act, this measure eliminates the need for a trial state litigant to obtain local counsel in the discovery state or to file miscellaneous actions for a subpoena by requiring the litigant to instead present a subpoena issued by the trial state court to the clerk of the court located in the discovery state. Hence, judicial oversight is minimized. Furthermore, this measure requires discovery to comply with the laws of the discovery state, thus recognizing that the discovery state has a significant interest in protecting its residents from unreasonable or burdensome requests when they become non-party witnesses in an action pending in a foreign jurisdiction.

Your Committee further finds that twenty-one state jurisdictions have already adopted the uniform act with seven more states, including Hawaii, considering adoption this year. As such, this measure will aid in streamlining litigation procedures while recognizing the interests of the trial state and the discovery 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 S.B. No. 2497 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 2430 (Joint) Human Services and Public Safety, Government Operations, and Military Affairs on S.B. No. 2568

The purpose and intent of this measure is to require counties to provide homeless individuals and families information on and access to temporary emergency shelters upon removing them from public property.

Your Committees received testimony in support of this measure from five individuals.

Your Committees find that according to the annual Homeless Service Utilization Report, 5,678 individuals in Hawaii are homeless and another 4,013 individuals are unsheltered. Transitional housing is one way to effectively stabilize individuals and families and enable them to save money so they can secure permanent housing.

This measure will ensure homeless individuals and families who are removed from public property receive necessary information on and access to temporary emergency shelters to facilitate a transition to permanent housing.

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. 2568 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 2 (Ryan, Slom).

SCRep. 2431 (Joint) Commerce and Consumer Protection and Health and Human Services on S.B. No. 2434

The purpose and intent of this measure is to amend Hawaii's health insurance exchange law by:

- (1) Requiring the Hawaii Health Connector to establish and administer separate risk pools for the individual market and the small group market;
- (2) Establishing a Navigator Program and specifying qualifications and restrictions for navigators;
- (3) Establishing staggered terms for the Board of Directors of the Hawaii Health Connector; and
- (4) Clarifying the role of the Department of Human Services in determining Medicaid eligibility.

Your Committees received testimony in support of this measure from the Hawaii Health Connector, Hawaii Association of Health Plans, Hawaii Medical Service Association, Kaiser Permanente, Ohana Health Plan, The Chamber of Commerce of Hawaii, and two individuals. Your Committees received comments on this measure from the Hawaii Primary Care Association, AARP Hawaii, and the American Cancer Society.

Your Committees find that Act 205, Session Laws of Hawaii 2011, established a nonprofit health insurance exchange, known as the Hawaii Health Connector, to create and administer a health insurance exchange in the State in compliance with the federal Patient Protection and Affordable Care Act. Act 205 required the interim Board of Directors of the Hawaii Health Connector to submit a report of its findings and recommendations, including proposed legislation, to the Legislature. The amendments proposed by this measure reflect the interim Board's recommendations.

Your Committees further find that the Hawaii Health Connector will help individuals and small businesses learn about, compare, and purchase insurance. The Hawaii Health Connector will also enable participants to receive federal subsidies to assist with health care and will provide a better opportunity to expand insurance coverage to the uninsured.

Your Committees note that the interim Board of Directors has made tremendous strides to ensure that the Hawaii Health Connector is fully operational by the federally mandated 2014 deadline, but additional work remains. Your Committees also note that a robust discussion of all aspects of the Hawaii Health Connector is expected and encouraged. It is therefore the desire of your Committees for the Board to conduct additional community outreach to ensure a well-rounded discussion.

Your Committees have amended this measure by:

- (1) Clarifying that the Hawaii Health Connector shall establish one separate program to serve the individual market and one separate program to serve the small group market;
- (2) Clarifying that any insurer that offers a qualified plan through the Hawaii Health Connector shall establish a separate risk pool for its qualified plans offered in the individual market and the small group market;

- (3) Specifying that recipients of navigator grants shall comply with all provisions that are otherwise required by federal law;
- (4) Establishing a timeline for Hawaii Health Connector Board member nominations and confirmations occurring on or after February 1, 2012, and July 1, 2012, respectively; 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 Commerce and Consumer Protection and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2434, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2434, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Galuteria, Shimabukuro, Solomon, Wakai, Slom).

SCRep. 2432 Ways and Means on S.B. No. 2819

The purpose and intent of this measure is to tax electronic cigarettes in the same manner as tobacco products and to prohibit the sale of electronic cigarettes to minors.

Your Committee received testimony in support of this measure from Department of Taxation, Department of Health, Honolulu Police Department, and sixteen individuals.

Your Committee received testimony in opposition to this measure from Volcano Fine Electronic Cigarettes; Michael Jay Green, Esq.; and 1,048 individuals.

Your Committee received comments on this measure from Tax Foundation of Hawaii and eight individuals.

Your Committee has amended this measure by:

- (1) Deleting language adding electronic cigarettes to the definition of "tobacco products", which would subject electronic cigarettes to the same taxation as tobacco products; 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. 2819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2819, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2433 Ways and Means on S.B. No. 2867

The purpose and intent of this measure is to update Hawaii's income tax law to conform to changes made to the Internal Revenue Code for calendar year 2011.

Your Committee received testimony in support of this measure from the Department of Taxation.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

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. 2867, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2867, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11, Ayes with Reservations (Slom). Noes, none. Excused, 3 (Espero, Fukunaga, Tokuda).

SCRep. 2434 Ways and Means on S.B. No. 2869

The purpose and intent of this measure is to extend the date for the Tax Review Commission to submit its report to the Legislature and appropriate funds to the Commission.

Your Committee received testimony in support of this measure from the Director of Taxation and the Chair of the Tax Review Commission. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that the Tax Review Commission was not able to meet because of a lack of quorum. This measure would provide additional time and money for the Tax Review Commission to complete an extensive review of the State tax structure.

Your Committee notes that the measure appropriates moneys out of the current fiscal year (FY 2011-2012). Consequently, in light of the provisions contained in Article VII, section 9 of the State Constitution, the appropriation could be considered an emergency appropriation, which requires a declaration from the Governor that the immediate passage of the appropriation is necessary. Your Committee has asked the Department of Taxation to consult with the Governor to ascertain whether it is necessary for the appropriation to be made in fiscal year 2011-2012 and to expeditiously inform your Committee on whether this appropriation should be made in the current or succeeding fiscal year.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified amount; and

- (2) Making technical nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2869, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2869, 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 (Slom). Noes, none. Excused, 4 (Dela Cruz, Fukunaga, Kahele, Ryan).

SCRep. 2435 Ways and Means on S.B. No. 2237

The purpose and intent of this measure is to amend the way the partial payment of taxes is allocated between the principal and interest of the taxpayer's tax liability.

More specifically, section 231-27, Hawaii Revised Statutes, presently provides that partial payments of taxes are first applied to the interest of outstanding tax assessments, then to penalties, and then to the principal balance. This measure provides for the payment to be applied to the principal first, then to interest, then to any penalties incurred. This benefits the taxpayer by lowering the principal balance, resulting in smaller compounding interest payments.

The Department of Taxation and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee notes that, while the Department of Taxation acknowledged that the measure makes Hawaii's law on crediting partial tax payments consistent with federal tax provisions, the department nonetheless expressed concern regarding the timely implementation of the measure, because developing and testing the necessary software to effectuate the change would require an estimated minimum of one year.

In light of these concerns, your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2014, to allow more time for the Department of Taxation to develop and test the software necessary to implement the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity and styled.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2237, 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 (Espero, Fukunaga, Tokuda).

SCRep. 2436 Ways and Means on S.B. No. 2998

The purpose and intent of this measure is to incorporate fairness provisions into Hawaii tax laws that are similar to those used in the Internal Revenue Code for the calculation of tax penalties.

Specifically, this measure prohibits the stacking of tax underpayment penalties.

Your Committee received testimony in support of this measure from Chun, Kerr, Dodd, Beaman & Wong, LLLP, and two private individuals.

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 several tax penalties were established through the enactment of Act 166, Session Laws of Hawaii 2009, and that these penalties are similar to penalties imposed by the Internal Revenue Code. However, the state tax penalties differ from their federal counterparts, in that the federal penalties do not stack onto one another for the same violation. Your Committee further finds that this measure would promote fairness in the application of state tax penalties by prohibiting the assessment of multiple penalties for the same violation.

Your Committee has amended this measure by:

- (1) Limiting the prohibition against the assessment of multiple penalties as follows:
 - (A) Penalties imposed for wilful failure to collect and pay over tax under section 231-36.4, Hawaii Revised Statutes (HRS), shall not be stacked with penalties imposed for the erroneous claim for refund or credit under section 231-36.8, HRS;
 - (B) Penalties imposed for substantial understatements or misstatements under section 231-36.6, HRS, shall not be stacked with penalties imposed for the erroneous claim for refund or credit under section 231-36.8, HRS; and
 - (C) Penalties imposed for the erroneous claim for refund or credit under section 231-36.8, HRS, shall not be stacked with penalties imposed for substantial understatements or misstatements under section 231-36.6, HRS; and
- (2) Deleting the savings clause as unnecessary.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2998, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2998, 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. 2437 Public Safety, Government Operations, and Military Affairs on S.B. No. 2630

The purpose and intent of this measure is to authorize the county liquor commissions to substitute the dBC weighting system for the current dBA weighting system for the purpose of administering community noise control.

Your Committee received testimony in support of this measure from the Department of Liquor Control of Kauai County, Honolulu Liquor Commission, and Downtown Neighborhood Board No. 13.

Your Committee finds that the method used by the Department of Health to measure noise is the dBA weighting system. The dBA system measures sound in decibels using the "A weighted" measurement, dBA, such that sound levels measured in dBA correspond to what the human ear hears. An alternative dBC weighting system also measures sound levels but additionally measures lower frequencies that cause physical objects such as windows and walls to vibrate. Because these lower frequency sound waves are not perceived by the human ear and are not measured by the dBA weighting system, even though they are physically felt through strong vibrations, the sound levels generated do not constitute a violation of the existing community noise control law.

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. 2630 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 2438 Public Safety, Government Operations, and Military Affairs on S.B. No. 2872

The purpose and intent of this measure is to allow any utility owner whose facility occupies a state highway right-of-way to provide its share of costs up front to the affected state agency for encumbrance of funds in related contracts by way of an agreement to pay.

Your Committee received testimony in support of this measure from the Department of Transportation.

Your Committee finds that existing law does not allow for cost sharing for certain types of utility work. This measure is intended to address a long-standing challenge for the Department of Transportation to complete projects involving all types of utility work, including undergrounding and new facilities.

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. 2872 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 2439 Commerce and Consumer Protection on S.B. No. 2256

The purpose and intent of this measure is to permit a condominium board of directors to authorize the installation of utility meters to determine utility use by individual units, provided that the condominium association pays the installation cost.

Your Committee received testimony in support of this measure from the Hawaii Chapter of the Community Associations Institute, Association of Apartment Owners of Harbor Square, and two individuals. Your Committee received comments on this measure from Hawaii Energy.

Your Committee finds that many older condominium projects in Hawaii were constructed in such a way that a single meter measures the consumption of utilities for the entire condominium. Utility costs in these condominium projects are not measured by actual usage of owners or occupants, but are paid for as a common expense.

Your Committee further finds that this measure will permit an association to install utility sub-meters in each owner's unit. Individual sub-metering permits billing based on individual use and ensures that each occupant is aware of how much electricity is being used, thereby likely resulting in aggregate energy savings for a condominium project.

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. 2256 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Galuteria, Nishihara).

SCRep. 2440 Economic Development and Technology on S.B. No. 2698

The purpose and intent of this measure is to authorize the Comptroller to designate a replacement to serve as chair of the Information Privacy and Security Council.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, University of Hawaii System, Office of Information Management and Technology, and Information Privacy and Security Council.

Your Committee finds that when the Information Privacy and Security Council was first established, the State did not yet have a full-time Chief Information Officer to provide the overall direction and vision for information technology. As information security and privacy currently fall under the purview of the Chief Information Officer and are being addressed in the information technology strategic plan that is currently under development, naming the Chief Information Officer as chair of the Information Privacy and Security Council aligns the Council's responsibilities with the State's strategic vision.

Your Committee has amended this measure by:

- (1) Replacing the Comptroller with the Chief Information Officer to serve as chair of the Information Privacy and Security Council; 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 Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2698, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2698, S.D. 1, and be 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. 2441 Human Services on S.B. No. 2805

The purpose and intent of this measure is to reduce from five to three the minimum number of resident board member candidates that the Resident Advisory Board of the Hawaii Public Housing Authority must submit to the Governor for consideration for appointment to the Authority's Board of Directors.

Your Committee received testimony in support of this measure from the Department of Human Services; the Hawaii Public Housing Authority of the Department of Human Services; and two individuals.

Your Committee finds that when the resident member seat on the Hawaii Public Housing Authority Board of Directors becomes vacant, the Resident Advisory Board of the Hawaii Public Housing Authority is required to submit a list of five names for consideration by the Governor. In situations where there are less than five interested individuals, the Resident Advisory Board is unable to provide a list to the Governor for consideration and may cause the resident member seat to remain vacant for extended periods.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2805 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Slom).

SCRep. 2442 (Joint) Human Services and Education on S.B. No. 2800

The purpose and intent of this measure is to add exemptions from child care licensing by the Department of Human Services for any kindergarten, school, or child care program licensed by the Charter School Review Panel, the Hawaii Council of Private Schools, or any federal agency and for child care programs conducted by counties.

Your Committees received testimony in support of this measure from the Department of Human Services and the Hawaii Association of Independent Schools. Your Committees received testimony in opposition to this measure from the Hawaii Association for the Education of Young Children.

Your Committees find that as kindergartens, schools, and child care programs are already licensed by the Charter School Review Panel, the Hawaii Council of Private Schools, and federal agencies that administer them, there is no justification for the Department of Human Services to also license these kindergartens, schools, and child care programs.

Your Committees also note the Hawaii Association for the Education of Young Children's opposition to the measure in its current form to the extent that it includes licensing exemptions for child care programs conducted by counties for children from birth through age five who receive child care subsidies.

Your Committees therefore request the Department of Human Services to confer with the Hawaii Association for the Education of Young Children to address and make recommendations to allay the concerns regarding children who receive child care subsidies. Your Committees also request the Department to work with the Hawaii Association of Independent Schools to ensure that the program the Association develops meets the Department's licensing standards and that the Association has the capacity to take over the Department's responsibilities of child care licensing.

Your Committees note that according to the Hawaii Association of Independent Schools' testimony, should the Hawaii Association of Independent Schools and the Hawaii Council of Private Schools become responsible for licensing child care programs, the existing elementary and secondary licensing program would require some modification to reflect the rigorous standards expected for schools with responsibility for young children.

Your Committees have therefore amended this measure by extending the effective date to July 1, 2013, to ensure sufficient time to develop and implement a comprehensive private school child care licensing program.

As affirmed by the records of votes of the members of your Committees on Human Services and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2800, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2800, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 3 (Ihara, Nishihara, Taniguchi).

SCRep. 2443 Public Safety, Government Operations, and Military Affairs on S.B. No. 2866

The purpose and intent of this measure is to create the Offender Reentry Office to oversee the comprehensive offender reentry system and restore the purpose of the intake service centers to screen, evaluate, and classify the admission of persons to community correctional centers.

Your Committee received testimony in support of this measure from the Department of Public Safety, Community Alliance on Prisons, and Drug Policy Forum of Hawai'i.

Your Committee finds that existing statutes require that the intake service centers also provide reentry services. Chapter 353H, Hawaii Revised Statutes, relating to the comprehensive offender reentry system, was enacted specifically to address an offender reentry system. However, your Committee believes that little has been done to implement offender reentry programs and services which may account for, among other things, prison overcrowding since inmates cannot get the programs and services required to release them from incarceration and onto parole.

Your Committee further finds that the responsibility of providing reentry services requires an entirely different set of skills than intake services. Rather than combining the two functions into the same unit, this measure separates the offender reentry services into a separate office that is intended to provide enhanced effectiveness of reentry services to reduce recidivism and enhance public safety by improving programs and services for offenders exiting correctional facilities.

According to testimony of the Department of Public Safety, the Offender Reentry Office will specialize in designing, monitoring, and evaluating programs and services to reduce recidivism, prevent further victimization, and enhance public safety. A variety of programs and services are essential during an offender's transition to the community to enable an offender to acquire the appropriate skills and treatment to re-enter the community and reduce recidivism.

Your Committee has amended this measure by:

- (1) Requiring the Offender Reentry Office to work closely and collaborate with community partners such as organizations, businesses, and concerned citizens;
- (2) Reconstituting the Reentry Commission, established by Act 24, Special Session Laws of Hawaii 2009 (Act 24), as follows:
 - (A) Three members to be selected by the Governor, one of whom shall be a rehabilitated former inmate;
 - (B) Three members to be selected by the Senate President;
 - (C) Three members to be selected by the Speaker of the House of Representatives; and
 - (D) Making the Reentry Coordinator an ex officio nonvoting member;
- (3) Amending Act 24 to require the Reentry Commission to ensure that the comprehensive offender reentry system under chapter 353H, Hawaii Revised Statutes, is implemented as soon as practicable to provide programs and services that result in the release of inmates onto parole when maximum terms have been served instead of delaying the release for lack of programs and services;
- (4) Further amending Act 24 to change the repeal date of the Reentry Commission from July 1, 2014, to December 1, 2015; 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. 2866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2866, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 2444 Commerce and Consumer Protection on S.B. No. 3062

The purpose and intent of this measure is to require viatical settlement providers to be licensed by the Insurance Commissioner and require the Insurance Commissioner to regulate the conduct of this business.

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 the National Association of Insurance and Financial Advisors Hawaii, and American Council of Life Insurers.

Your Committee finds that a viatical settlement contract is a means for a terminally ill person to receive a cash payment for that person's life insurance policy prior to that person's death. A life settlement contract is similar to a viatical settlement contract but is available without regard to a policyholder's life expectancy.

Your Committee further finds that thirty-nine states currently regulate viatical or life settlements. Act 177, Session Laws of Hawaii 2008, was Hawaii's insurance regulation of viatical and life settlement contracts. Act 177, which was codified upon enactment as chapter 431E, Hawaii Revised Statutes, implemented the Life Settlements Model Act as adopted by the National Conference on Insurance Legislators. Chapter 431E, Hawaii Revised Statutes, was intended to protect individuals, particularly senior citizens and those suffering from chronic or terminal illness, from fraudulent activity relating to the selling and buying of life insurance policies, but Act 177 sunsetted in 2010.

However, later in 2010, Act 59, Session Laws of Hawaii 2010, was enacted to reestablish life settlement contracts and the appropriate license fees for those contracts. Nevertheless, the fees established in Act 59 were short lived because in 2011, Acts 81 and 186, Session Laws of Hawaii 2011, repealed the provisions for life settlement contracts in section 431:7-101(a) and (b), Hawaii Revised Statutes.

Due to the repeal provisions in Acts 177, 81, and 186, life settlements are currently unregulated in Hawaii. Your Committee concludes that Hawaii consumers and the elderly need effective and comprehensive laws, such as the establishment of chapter 431E in Act 177, to protect against stranger-originated life insurance transactions and other fraudulent life settlement practices.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting certain provisions from Act 177, Session Laws of Hawaii 2008, which:
 - (A) Implements the Life Settlements Model Act adopted by the National Conference of Insurance Legislators, which regulates permissible life settlement contracts and prohibits stranger-originated life insurance transactions; and
 - (B) Permits the collection of licensing and regulatory service fees;
- (2) Making permanent the fees for life settlement contract providers and life settlement contract brokers;
- (3) Inserting an effective date of July 1, 2012; 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. 3062, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3062, 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, Nishihara).

SCRep. 2445 Water, Land, and Housing on S.B. No. 2906

The purpose and intent of this measure is to require the Department of Land and Natural Resources to adopt rules for the operation of thrill craft to conduct ocean cleanup activities.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and three individuals.

Your Committee finds that thrill craft are being used by lifeguards, fire departments, and state agencies due to their ability to operate in shallow water with no threat to natural resources. With this advanced technology, your Committee finds that thrill craft have become a valuable tool when dealing with issues in nearshore waters. This measure would allow thrill craft to be used for timely ocean cleanup of pollution in our nearshore waters.

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. 2906, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2906, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Tokuda).

SCRep. 2446 Energy and Environment on S.B. No. 2873

The purpose and intent of this measure is to:

- (1) Exempt secondary actions from the state environmental impact statements law, chapter 343, Hawaii Revised Statutes; and
- (2) Require applicants, rather than affected agencies, to prepare environmental assessments for certain proposed actions.

Your Committee received testimony in support of this measure from the Department of Transportation, The Chamber of Commerce of Hawaii, Building Industry Association, Land Use Research Foundation of Hawaii, and National Association of Industrial and Office Properties of Hawaii. Your Committee received testimony in opposition to this measure from the Office of Environmental Quality Control, Sierra Club, and The Outdoor Circle. Your Committee received comments on this measure from Hawaiian Electric Company, Inc.

Your Committee finds that this measure will relieve agencies from conducting environmental assessments when the agencies have not proposed the action. By requiring an applicant for a proposed action to prepare the environmental assessment in lieu of the approving agency, this measure prevents waste of taxpayer monies. This measure will also prevent unnecessary delays for secondary actions that would be clearly exempt from environmental assessment requirements, such as an installation of a utility line across a public right-of-way.

Your Committee has amended this measure by:

- (1) Deleting language that requires certain secondary actions to be exempt from chapter 343, Hawaii Revised Statutes;
- (2) Adding language that authorizes an agency to exempt certain secondary actions from chapter 343, Hawaii Revised Statutes;
- (3) Inserting language clarifying that the applicant for the primary action is the applicant responsible for submitting documentation from the appropriate agency confirming that no further discretionary approvals are required;
- (4) Clarifying that a secondary action refers to any action on infrastructure within the highway or public right-of-way that is ancillary or incidental to the primary action;

- (5) Deleting the measure's repeal date; 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2873, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2873, 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. 2447 (Joint) Energy and Environment and Water, Land, and Housing on S.B. No. 2745

The purpose and intent of this measure is to add priority guidelines to the Hawaii State Planning Act, chapter 226, Hawaii Revised Statutes, to address the expected impacts of climate change.

Your Committees received testimony in support of this measure from the Office of Planning, Department of Planning and Permitting of the City and County of Honolulu, University of Hawai'i School of Ocean and Earth Science and Technology, Building Industry Association, The Chamber of Commerce of Hawaii, The Nature Conservancy, Center for Island Climate Adaptation and Policy, and Marine and Coastal Zone Advocacy Council. Your Committees received comments on this measure from the Windward Ahupua'a Alliance.

Your Committees find that climate change is a serious threat to the State of Hawaii and its people, natural resources, economy, food and water security, and public infrastructure. Adding climate change priority guidelines to the Hawaii State Planning Act will provide the basis for climate change considerations in all state and county planning, the necessary authority for agencies to commit resources, and a statewide framework to guide state and county agencies, as well as other stakeholders, in reducing Hawaii's vulnerability and increasing resilience to the effects of climate change.

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 that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2745, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2745, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

SCRep. 2448 Judiciary and Labor on S.B. No. 2158

The purpose and intent of this measure is to require law enforcement agencies to accept cash bail, certified copies of pre-filed bail bonds, and original bail bonds when the court is closed, including nights, weekends, and holidays, to facilitate the prompt release of the detainee after bail is accepted.

Your Committee received testimony in support of this measure from the Professional Bail Agents of Hawaii; Da Kine Bail Bonds, Inc.; and one private individual. The Department of Public Safety and the Office of the Public Defender submitted comments.

Your Committee finds that if a person is taken into custody during non-regular business hours, such as during the night, weekend, or holiday, that person is not able to post bail because the courts are closed, even if the person possesses the bail amount at that time. Individuals are required to pay their bail amount at the courts only during regular business hours. Thus, even if a person who is detained Friday night possesses the bail amount on Friday, that person will remain detained until Monday morning, when the court opens. This measure ensures the right to bail at all hours, not just during normal business hours.

As affirmed by the record of votes of the members 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. 2158 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 2449 Judiciary and Labor on S.B. No. 2971

The purpose and intent of this measure is to amend the negligent injury offense laws to include more types of vehicles that if operated by a person in a negligent manner that results in the bodily injury of another person, would constitute the offenses.

Your Committee received testimony in support of this measure from the Department of Transportation; the Department of the Prosecuting Attorney of the County of Maui; the Maui Police Department; Mothers Against Drunk Driving Hawaii; and one private individual.

Your Committee finds that a person is guilty of a negligent injury offense if that person causes serious or substantial bodily injury to another person while operating a motor vehicle. This measure allows this negligent injury offense to also include the negligent operation of a moped or vessel. Adding a broader definition for vehicles under the Hawaii penal code will hold vehicle operators more accountable for their actions, especially when their actions involve the safety 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 S.B. No. 2971 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. 2450 Judiciary and Labor on H.B. No. 461

The purpose and intent of this measure is to ensure the ability of members of the military and others eligible voters who are overseas to participate in all elections for federal, state, and local offices by adopting the Uniform Military and Overseas Voters Act.

Your Committee received testimony in support of this measure from the United States Department of Defense State Liaison Office, the Federal Voting Assistance Program of the United States Department of Defense, the Department of Defense, the Commission to Promote Uniform Legislation, and the Oahu Veterans Center. Testimony in opposition to this measure was submitted by the Office of Elections, the Office of the County Clerk of the County of Maui, and Office of the County Clerk of the County of Kauai.

Your Committee finds that military personnel and overseas civilians face a variety of challenges when voting in United States elections, such as difficulty in registering abroad, frequent address changes, slow mail delivery, ballots or ballot applications that never arrive, difficulty in obtaining information about candidates or the issues, the inability to comply with notarization or verification procedures, or failure to properly comply with non-essential requirements for absentee materials. The federal Uniformed and Overseas Citizens Absentee Voting Act of 1986 and the Military and Overseas Voter Empowerment Act of 2009 have not been wholly effective in overcoming the difficulties overseas voters face. Furthermore, these federal laws do not apply to state or local elections, which results in states conducting elections under procedures that vary dramatically from state to state. The lack of uniformity between jurisdictions and the non-applicability of federal law complicate efforts to engage voters and represents a major impediment to the ability of military personnel and overseas civilians to vote.

By adopting the Uniform Military and Overseas Voters Act, this measure addresses these issues by extending the assistance and protections for military and overseas voters under existing federal law to state elections. This measure also uniformly applies the military and overseas voting process to all covered elections of which the State has primary administrative responsibility.

Your Committee has amended this measure by adopting the proposed language submitted by the Commission to Promote Uniform Legislation by:

- (1) Adding clarifying language regarding the role and authority of the chief elections officer and allowing the chief elections officer to use a system developed by the United States Department of Defense's Federal Voting Assistance Program in lieu of developing a new system in order to comply with the electronic transmission system requirement;
- (2) Deleting language regarding the methods of informing the election officials that the voter is a covered voter under the new chapter;
- (3) Adding language that aligns timeframes for overseas ballot applications with current timetables used by the chief elections officer;
- (4) Incorporating the "standing request for ballot transmission" concept, and clarifying that the standing request shall run only through December 31 of the year of the request, instead of December 31 of the following year;
- (5) Requiring application ballots arriving after the forty-five day window be filled within two business days or as soon as allowable after the application arrives;
- (6) Adopting the "close of polls" standard for the casting and receipt of ballots to roughly have the same effect under existing Hawaii law and election procedures;
- (7) Changing the election notice publication requirement from one hundred days to as soon as practicable, and inserting language that bolsters the ability of election officials to satisfy this requirement electronically;
- (8) Prohibiting the award of attorney's fees in any private cause of action;
- (9) Making conforming amendments to the absentee voter laws;
- (10) Changing the effective date of this measure from July 1, 2020, to July 1, 2012; and
- (11) Making other technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 461, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 461, 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. 2451 Judiciary and Labor on S.B. No. 2486

The purpose and intent of this measure is to include pets and livestock as property that, if threatened to be damaged or harmed, may constitute the offense of terroristic threatening.

Your Committee received testimony in support of this measure from the Hawaiian Humane Society and fifty-four private individuals. Testimony in opposition to this measure was submitted by one private individual. The Office of the Public Defender submitted comments.

Your Committee finds that this measure clarifies that threatening to cause serious damage to the property of another person includes threatening to damage or harm the pets and livestock of that person under the terroristic threatening offense. However, your Committee notes the concerns raised by the Office of the Public Defender regarding language in this measure that may be

misinterpreted to mean that the defendant committed a felony with the intent to terrorize the pet or livestock rather than the person. This interpretation could result in the prosecution having to prove that the pet or livestock animal felt terrorized, which is difficult to prove.

As such, your Committee has amended this measure by:

- (1) Removing language to clarify that the terrorization is to another person, not the pet or livestock animal;
- (2) Inserting a savings clause;
- (3) Inserting an effective date of July 1, 2050, to ensure 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. 2486, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2486, 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. 2452 Judiciary and Labor on S.B. No. 2492

The purpose and intent of this measure is to ensure that dogs at large-scale breeding facilities receive a minimum standard of care. Specifically, this measure:

- (1) Prohibits the ownership or custody of more than thirty dogs over the age of six months with intact sexual organs;
- (2) Requires owners of ten or more dogs over the age of six months with intact sexual organs to meet minimum standards of care to ensure the proper treatment and care of the dogs and the dogs' offspring;
- (3) Requires owners of ten or more dogs over the age of six months with intact sexual organs to maintain specific written records of each dog for a specified period;
- (4) Prohibits certain types of dogs to be placed in the same enclosure; and
- (5) Establishes penalties.

Your Committee received testimony in support of this measure from the Hawaiian Human Society, the Maui Humane Society, and ninety-four private individuals. Testimony in opposition to this measure was submitted by the American Kennel Club, the Hawaiian Kennel Club, and twenty-three private individuals.

Your Committee finds that profit-driven breeding is prevalent in Hawaii. Recent research conducted by the Hawaiian Humane Society reveals that during a two-week period in November on Oahu, over three hundred sixty puppies were available for sale. This number projected over a one-year period is approximately \$9,400,000 in revenues from the sale of dogs. Unfortunately, existing state and federal laws regarding the care and husbandry of dogs inadequately regulate large-scale breeding facilities in Hawaii. This measure ensures that dogs at large-scale breeding facilities receive sanitary living conditions, proper and timely medical care, the ability to move freely at least once a day, and adequate shelter from the elements.

Your Committee has amended this measure by:

- (1) Adopting amendments suggested by the Hawaiian Humane Society to:
 - (A) Clarify minimum standards of care, including regular exercise, sufficient food and clean water, sufficient housing or shelter, sufficient space for movement, and veterinary care;
 - (B) Lower the age of a dog entitled to receive a minimum standard of care from six to four months in order to conform to county minimum dog age requirements for licensing;
 - (C) Clarify the recordkeeping requirements applied to owners of more than ten dogs and add a recordkeeping requirement for microchip implants;
 - (D) Prohibit the breeding of a dog to produce more than two litters in any eighteen-month period; and
 - (E) Insert a severability clause;
- (2) Amending language to prohibit the ownership or custody of more than thirty dogs over the age of one year rather than six months;
- (3) Inserting an effective date of July 1, 2050, to ensure 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. 2492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2492, 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. 2453 Judiciary and Labor on S.B. No. 2503

The purpose and intent of this measure is to:

- (1) Add equines to those animals that may be subject to forfeiture prior to the final disposition of an animal cruelty case, upon a petition by certain entities for forfeiture of the animal;
- (2) Allow the petitioner an award of attorney's fees and court costs incurred by the petitioner in the filing of the petition for forfeiture of an animal; and
- (3) Cover any offspring born during a pet animal's or equine's impoundment under section 711-1109.2, Hawaii Revised Statutes.

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, and seventy-three private individuals.

Your Committee finds that Hawaii's animal cruelty laws acknowledge equine animals as companion animals like other pet animals that typically have special meaning to or a relationship with their owners. However, the forfeiture law does not include equines that are often held in limbo during animal cruelty investigations. As such, this measure provides the same protections to equine animals that are afforded to pet animals.

Your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Hawaiian Humane Society to:
 - (A) Use "equine animal" throughout this measure rather than "equine" to be consistent with its definition;
 - (B) Amend section 711-1109.1, Hawaii Revised Statutes, relating to the impoundment of animals, to include equine animals;
 - (C) Allow the court discretion to determine whether attorney's fees shall be awarded to the petitioner and clarify that such award shall serve as restitution following the conviction of the defendant; and
 - (D) Clarify that a pet animal or equine animal includes any offspring from a pet animal or equine animal that was pregnant at the time of the rescue and born during the impoundment of the pet animal and equine animal;
- (2) Adding a savings clause;
- (3) Inserting an effective date of July 1, 2050, to ensure 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. 2503, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2503, 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. 2454 Judiciary and Labor on S.B. No. 2703

The purpose and intent of this measure is to ensure that state child support enforcement laws are in compliance with recently enacted federal laws. Specifically, this measure:

- (1) Clarifies the requirement for new hire reporting to include the date on which services for remuneration were first performed by the employee as part of the information furnished by employers to the Hawaii Child Support Enforcement Agency, a division within the Department of the Attorney General; and
- (2) Clarifies that employers receiving a notice of medical support have twenty business days after the notice date to transfer the notice to the appropriate plan providing health care coverage and are required to notify the Hawaii Child Support Enforcement Agency when employment is terminated.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that the federal Claims Resolution Act requires employers to report to the State Directory of New Hires the date on which an employee first performs services for pay. This is an anti-fraud measure aimed at reducing the number of overpayments to individuals receiving unemployment insurance benefits. This measure will allow the State to comply with this new federal reporting requirement, which became effective on June 8, 2011.

Your Committee further finds that amendments to the federal Social Security Act requires employees to transfer a medical support notice twenty days after receiving the notice to the appropriate plan providing health care coverage and requires employers to notify the state child support enforcement agency when employment is terminated. This measure will allow the State to comply with this new federal requirement, which also became effective on June 8, 2011.

Your Committee recognizes that this measure not only ensures compliance with federal law, but also maintains eligibility for federal welfare funding and federal funding of child support enforcement programs.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2703, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2703, 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. 2455 Judiciary and Labor on S.B. No. 2720

The purpose and intent of this measure is to repeal certain laws under chapter 414D, Hawaii Revised Statutes, the Hawaii Nonprofit Corporations Act, that authorize nonprofit corporations to covert to other legal entities.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that certain laws under the Hawaii Nonprofit Corporations Act do not conform to the Revised Model Nonprofit Corporations Act, which Hawaii's law is based on, and allows the assets of a charitable corporation to be converted and used for non-charitable purposes. These provisions are an invitation to abuse.

Assets held for charity, whether trust, or corporate form, should be in a "lock box." The charity may dissolve and distribute its assets to other charities, use the assets for purposes of charitable or program services, or sell its assets and use the proceeds to support its charitable purposes. However, allowing charities to convert to a for-profit is antithetical to the concept that charitable assets should be perpetually devoted to charitable uses.

Your Committee notes that in April 2010, the attorneys for American Pacific University notified the Department of the Attorney General of its plans to file articles of conversion to covert the nonprofit corporation into the for-profit American Pacific University Inc. In June 2011, American Pacific University attained a for-profit status. This measure will prevent additional charitable corporations from doing the same and ensure that charitable assets continue to be used for charitable purposes.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2720, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2720, 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. 2456 Judiciary and Labor on S.B. No. 2845

The purpose and intent of this measure is to require the Director of Labor and Industrial Relations to make a decision, without a hearing, within thirty days of the filing of a workers' compensation dispute between an employee and the employer or the employer's insurer regarding a proposed treatment plan or whether medical services should continue.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; the United Public Workers, AFSCME Local 646, AFL-CIO; the Hawaii Laborers' Union; and two private individuals. Testimony in opposition to this measure was submitted by the Property Casualty Insurers Association of America; the Society for Human Resource Management, Hawaii Chapter; and two private individuals. The International Longshore and Warehouse Union Local 142 submitted comments.

Your Committee finds that when a workers' compensation dispute is filed regarding a proposed treatment plan or whether medical services should be continued, the Director of Labor and Industrial Relations is required to make a decision within thirty days of the filing of the dispute. Due to the reduction of staff, the Department of Labor and Industrial Relations currently takes three to four months to schedule a hearing, provide notice to the parties, conduct the hearing, and render a decision. This measure allows injured workers, insurance carriers, and employers to obtain more prompt decisions and reduces the number of hearings scheduled. Moreover, this measure provides the Director greater ability to meet the thirty day deadline to render a decision.

Your Committee recognizes the testimony submitted by the Property Casualty Insurers Association of America that suggests this measure presents barriers because employers will have insufficient time to solicit a supporting medical opinion to counter unreasonable and unnecessary medical treatment requests. Furthermore, Property Casualty Insurers indicated that eliminating the hearing requirement deprives the Director of a complete record on which to render a decision on whether the proposed treatment plan or medical service is appropriate and effective for the injured worker. Instead, Property Casualty Insurers suggested language that would allow a hearing to be waived only upon the mutual consent of both parties. Your Committee believes this matter merits further discussion and encourages Property Casualty Insurers Association of America, the Department of Labor and Industrial Relations, and the Hawaii Insurers Council to discuss this matter as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Amending the language to allow rather than require the Director of Labor and Industrial Relations to make a decision on disputes regarding treatment plans and continued medical services without a hearing;
- (2) Inserting an effective date of July 1, 2050, to ensure 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. 2845, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2845, 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 (Ihara).

SCRep. 2457 Judiciary and Labor on S.B. No. 2858

The purpose and intent of this measure is to:

- (1) Establish a process for a state agency to seek judicial review by a circuit court of a decision rendered by the Office of Information Practices that directs the agency to disclose a requested record under the Uniform Information Practices Act or prohibits disclosure under the Sunshine Law;
- (2) Require a circuit court to consider the opinions and rulings of the Office of Information Practices as precedent unless found to be palpably erroneous; and
- (3) Specify that the opinion or ruling upholding the agency's denial of access to the requestor shall be reviewed de novo.

Your Committee received testimony in support of this measure from the Office of the Governor; the Department of Public Safety; the Department of Human Resources Development; the Department of Commerce and Consumer Affairs; the Department of Taxation; the Department of Land and Natural Resources; the Office of Information Practices; the Board of Education; the Executive Office on Aging; the Hawaii Public Housing Authority; the Office of Language Access; the Hawaii Community Development Authority; the League of Women Voters of Hawaii; the Hawaii Employers' Mutual Insurance Company, Inc.; and one private individual. Testimony in opposition to this measure was submitted by three Council Members of the County Council of Maui and one private individual.

Your Committee finds that the Uniform Information Practices Act allows members of the public whose record requests are denied by a government agency to have the Office of Information Practices review the agency's denial. If the Office upholds the agency's decision to deny the record request, the requestor may bring an action in circuit court for a de novo review of that decision. However, the Uniform Information Practices Act does not provide a similar process for a government agency to file an action in circuit court to appeal an adverse decision rendered by the Office of Information Practices. As such, this measure establishes a uniform process for a state agency to seek judicial review of a decision rendered by the Office of Information Practices that directs the agency to disclose a requested record.

Your Committee recognizes the concerns that this measure lacks a reasonable time limit for an agency to file a complaint in circuit court to appeal an adverse decision. The Office of Information Practices suggested a time limit of thirty days based on the time period permitted for appeals of administrative and judicial decisions.

As such, your Committee has amended this measure by:

- (1) Requiring that an agency has thirty days from the date of the adverse decision to file a complaint in circuit court to initiate a special proceeding for judicial review;
- (2) Inserting a savings clause;
- (3) Inserting an effective date of July 1, 2050, to ensure 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. 2858, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2858, S.D. 1, and be 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. 2458 Judiciary and Labor on S.B. No. 2859

The purpose and intent of this measure is to improve government efficiency by providing additional tools for state board and commission members and the public to receive and access information. Specifically, this measure:

- (1) Allows board and commission members to hear public testimony and presentations on items listed on an agenda during a scheduled meeting even though that meeting must be cancelled due to the lack of quorum, with certain limitations;
- (2) Allows less than a quorum of board and commission members to attend informational meetings or presentations on matters related to official board business, with certain limitations;
- (3) Allows less than a quorum of board and commission members to discuss official board business via social media; provided that the discussion is continuously accessible for public viewing and participation and meets other requirements;
- (4) Clarifies that written public notice shall be given for emergency meetings when anticipated in advance; and
- (5) Provides for the electronic filing of meeting notices.

Your Committee received testimony in support of this measure from the Office of the Governor; the Department of Commerce and Consumer Affairs; the Department of Public Safety; the Department of Human Resources Development; the Department of Transportation; the Department of Taxation; the Department of Hawaiian Home Lands; the Department of Land and Natural Resources; the Department of Business, Economic Development, and Tourism; the Board of Education; the Office of Information Practices; the Hawaii Strategic Development Corporation; the High Technology Development Corporation; the Office of Language

Access; the Office of Information Management and Technology; the Hawaii Public Housing Authority; the Executive Office on Aging; the Hawaii Community Development Authority; the Department of Planning and Permitting of the City and County of Honolulu; six members of the County Council of Maui; one member of the Hawaii County Council; the Chamber of Commerce of Hawaii; the Building Industry Association of Hawaii; the Hawaii Employers' Mutual Insurance Company, Inc.; and one private individual. Testimony in opposition to this measure was submitted by one private individual. The Office of Hawaiian Affairs and Common Cause Hawaii submitted comments.

Your Committee finds that chapter 92, Hawaii Revised Statutes, the Sunshine Law, requires a quorum for a state board or commission to conduct business and make any board or commission action valid. However, there are a number of permitted interactions between board or commission members consisting of less than a quorum to conduct limited business without violating the Sunshine Law. This measure provides additional permitted interactions to allow less than a quorum of members to attend informational meetings or presentations, and allow members present at a cancelled scheduled meeting to only hear public testimony on the items listed on the filed agenda. Furthermore, this measure incorporates technology by allowing members to discuss board or commission business via social media and allowing meeting notices to be electronically filed and posted on the State's electronic calendar.

Your Committee recognizes the concerns raised in the testimony regarding ensuring a certain level of privacy when using social media for board discussions and implementing the electronic filing of meeting notices. As a result, your Committee requested the Office of Information Practices to address these concerns. Your Committee notes that the discussion regarding electronic notices has been addressed in S.B. No. 2234, Regular Session of 2012, as amended.

As such, your Committee has amended this measure by:

- (1) Inserting a repeal date of June 30, 2016, for less than a quorum of board or commission members to discuss business via social media; provided that the board or commission has previously adopted a social media use policy and no commitment to vote is made;
- (2) Removing language that provides for the electronic filing of meeting notices; 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. 2859, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2859, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 2459 Judiciary and Labor on S.B. No. 2899

The purpose and intent of this measure is to amend the Hawaii Rules of Evidence to allow the prosecution to attack the character of the accused when the accused attacks the character of the alleged victim.

Your Committee received testimony in support of this measure from the Judiciary, and the Office of the Prosecuting Attorney of the County of Hawaii. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that in general, evidence of a person's character or a trait of a person's character is not admissible for the purpose of proving action in conformity with a particular occasion. As such, the accused may attack the alleged victim's character and remain shielded from equally relevant evidence concerning the same character trait of the accused. This measure conforms rule 404(a)(2), Hawaii Rules of Evidence, to its federal counterpart, the Federal Rules of Evidence, and provides that when the accused attacks the character of the alleged victim, the door is open for an attack on the same character trait of the accused.

Your Committee notes the example provided in the Judiciary's testimony that involves a homicide or assault case in which the defense asserts self defense. The question typically presented is whether the accused or the victim was the first aggressor. If the accused offers evidence of the violent character of the victim under Rule 404(a), Hawaii Rules of Evidence, this measure then allows the prosecution to offer similar evidence of the same character trait of the accused.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2899, 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, Shimabukuro).

SCRep. 2460 Public Safety, Government Operations, and Military Affairs on S.B. No. 2402

The purpose and intent of this measure is to establish a night sky protection strategy requiring all state agencies to comply with shielded lighting fixture requirements, beginning July 1, 2013.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Accounting and General Services; Department of Land and Natural Resources; Starlight Reserve Committee; and University of Hawaii System. Comments were received from the Department of Transportation.

Your Committee finds that many of Hawaii's problems with light pollution are caused by improperly shielded lights. Poorly shielded lights direct energy straight into the atmosphere, where it is wasted. The wasted light produces sky glow, which limits residents' ability to see stars. For example, in Honolulu only about the brightest twenty stars are visible, whereas about two thousand stars can be seen from a dark location outside of Honolulu. Poorly shielded lights also cause glare, which diminishes a person's ability to see at night, and enter locations where the light is unwanted (light trespass), including bedrooms, making it difficult for residents to sleep. Improperly shielded lights on the island of Kauai have led to many bird deaths, particularly of the endangered Newell's shearwater. This measure sets reasonable light shielding requirements in order to preserve the night sky and quality of life 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 S.B. No. 2402, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 2461 Public Safety, Government Operations, and Military Affairs on S.B. No. 2820

The purpose and intent of this measure is to amend the duties of the Hawaii Advisory Commission on Drug Abuse and Controlled Substances to allow the Commission to focus on addressing the issue of substance abuse as a public health issue.

Your Committee received testimony in support of this measure from the Department of Health, Department of Public Safety, and one individual. Testimony in opposition was received from the Drug Policy Forum of Hawaii.

Your Committee finds that this measure will more closely align the duties of the Commission with the core functions of public health, including assessment, policy development, and the assurance of appropriate public health services.

Your Committee expressed concern that, as a result of this measure, the Commission may not have the ability to advise the Department of Public Safety regarding controlled substances. However, testimony indicated that the Commission has not advised the Department of Public Safety for many years. It appears that the scheduling of controlled substances is largely a matter of federal law with rare exceptions for local circumstance. Nonetheless, your Committee prefers that there be open communication and dialogue between the Commission and the Narcotics Enforcement Division when appropriate.

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. 2820 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 2462 Judiciary and Labor on S.B. No. 2184

The purpose and intent of this measure is to make permanent the law that prohibits private transfer fees for the future transfer of real property by repealing its sunset date.

Your Committee received testimony in support of this measure from the Hawaii Association of Realtors.

Your Committee finds that a private transfer fee is a fee imposed by a private party that requires the payment of a certain amount, usually a percentage of the sales price, for future conveyances of a property, potentially in perpetuity. Because private transfer fees are funds due at closing, they can be a substantial burden for real property buyers. Moreover, because these restrictions run with the land, these fees may not be disclosed to subsequent purchasers of the property. By prohibiting private transfer fees, this measure prevents such fees from creating a financial barrier to homeownership and from misuse.

As affirmed by the record of votes of the members 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. 2184 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 2463 Judiciary and Labor on S.B. No. 2221

The purpose and intent of this measure is to address a weakness in the State's child pornography laws and provide greater protection for children by addressing instances of possession of particularly violent or egregious child pornography. Specifically, this measure amends the offense of promoting child abuse in the second degree to include possession of thirty or more images of child pornography, where the content of at least one image contains a minor younger than the age of twelve, sadomasochistic abuse of a minor, or bestiality involving a minor.

Your Committee received testimony in support of this measure from the Department of the Attorney General and two private individuals.

Your Committee finds that child pornography is a permanent record of the actual sexual abuse, exploitation, and assault of innocent and helpless children. However, Hawaii's child pornography laws are weak and do not distinguish between the various forms of child pornography. Currently, possession of any form of child pornography is covered under the offense of promoting child abuse in the third degree, but a violation is only a class C felony. This measure strengthens Hawaii's child pornography laws by amending the offense of promoting child abuse in the second degree, a class B felony, to include particularly violent or egregious child pornography.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to ensure 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. 2221, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2221, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Shimabukuro).

SCRep. 2464 Judiciary and Labor on S.B. No. 2737

The purpose and intent of this measure is to amend the State's Sunshine Law to allow board and commission meetings to be conducted by any form of interactive conference technology that permits interaction by audio, or audio and visual means, provided that:

- (1) All members of a board and the public are able to interact with each other at least by audio communications;
- (2) The public is given notice of all the locations at which board members will be participating in the meeting, and the public may join members to participate in the meeting at those locations; and
- (3) An agenda item may not be considered if any meeting location is connected by audio-only technology, and copies of all visual aids brought or used to consider that item on the agenda are not available at all meeting locations within fifteen minutes after audio-only technology is used.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; the Department of the Attorney General; the Office of Information Practices; the Office of Information Management and Technology; the High Technology Development Corporation; the Department of Planning and Permitting of the City and County of Honolulu; and the Building Industry of Hawaii.

Your Committee finds that this measure will reduce the instances in which a board is unable to conduct business and the public is foreclosed from participating in government for lack of a quorum. As volunteers, most members of state and county boards and commissions have obligations that from time to time prevent them from attending a board meeting. More often, however, travel time to and from a board meeting is what keeps them from attending a meeting. This measure will allow board members to participate in their boards' meetings from locations closer to their homes, offices, or other locations.

Your Committee notes the discussion regarding the provision in this measure that requires all locations at which board members will be participating in the meeting to be accessible to the public. The Office of Information Practices clarified that the requirement depends on the board business matter, the type of board, and the location. Thus, this measure does not require a board member to select a location with space available to accommodate fifty or more people, but enough to accommodate those who are interested, and with audio or audio and visual means that best serve the situation. However, your Committee also recognizes the comments made from the High Technology Development Corporation that additional limits should be placed on the location requirement to address situations in which a board member is located in an area that cannot easily accommodate the public, such as if the board member attends a meeting from the member's hospital room while recuperating.

As such, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2737, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2737, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 2465 Water, Land, and Housing on S.B. No. 2397

The purpose and intent of this measure is to prohibit counties from requiring installation or retrofitting of automatic fire sprinklers in new or existing one- or two-family dwelling units used only for residential purposes.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation; General Contractors Association of Hawaii; Building Industry Association of Hawaii; The Pacific Resource Partnership; Gentry Homes, Ltd.; Alan Shintani Inc.; and Complete Construction Services. Testimony in opposition to this measure was received from the Department of Labor and Industrial Relations, County of Maui Department of Fire and Public Safety, Kauai Fire Department, City and County of Honolulu Board of Water Supply, and one individual.

Your Committee finds that there have been significant improvements to the fire safety of homes over the past few decades, which has led to a dramatic and continued decrease in fire incidents, injury, death, and property loss. Further, no data exists that suggests that the installation or retrofitting of automatic sprinklers will significantly improve the fire safety of homes. Therefore, your Committee finds that the mandatory installation of automatic fire sprinklers is unnecessary at this time. However, to encourage further discussion on the issue, your Committee has retained the effective date of January 1, 2025.

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. 2397, 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 (Fukunaga, Tokuda).

SCRep. 2466 Water, Land, and Housing on S.B. No. 2375

The purpose and intent of this measure is to allow agricultural-based commercial operations in agricultural districts and to include agricultural-based commercial operations under the definition of "farming operation" in chapter 165, Hawaii Revised Statutes, the Hawaii Right to Farm Act.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, Kamehameha Schools, and Kahuku Farms. Your Committee received testimony in opposition to this measure from the City and County of Honolulu Department of Planning and Permitting.

Your Committee finds that existing laws do not permit agricultural-based commercial operations in agricultural districts. This restriction increases permitting requirements, limits farmers' economic opportunities, and places farmers at a disadvantage with neighboring landowners. By allowing agricultural-based commercial operations in agricultural districts, this measure will improve and diversify farmers' economic opportunities.

Your Committee has amended this measure by:

- (1) Specifying that the allowed agricultural-based commercial operations be producer-operated;
- (2) Including the sale of logo items related to a producer's agricultural operations and other food items as an agricultural-based commercial operation;
- (3) Including the preparation and sale of certain food by producer-operated retail food establishments as an agricultural-based commercial operation; 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. 2375, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2375, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Tokuda).

SCRep. 2467 Judiciary and Labor on S.B. No. 2071

The purpose and intent of this measure is to provide county agencies the ability to access national criminal history record information in addition to state conviction information for the purposes of determining the employment suitability of prospective and existing employees. Specifically, this measure allows the counties to obtain criminal history record information for current and prospective employees for work involving liquor control investigations, for work in firefighting or emergency medical services that involves contact with children or dependent adults, and for work assisting vulnerable and disabled citizens during emergencies or crises.

Your Committee received testimony in support of this measure from the Hawaii Civil Rights Commission, the Department of Human Resources of the City and County of Honolulu, the State Fire Council, the Honolulu Fire Department, the Department of Fire and Public Safety of the County of Maui, and the Kauai Fire Department.

Your Committee finds that the administration and hiring of county personnel is primarily based upon a merit system, in which individuals are selected for jobs based on their fitness and ability for public employment and employee retention is based on their demonstrated appropriate conduct and productive performance. Part of determining the fitness of a prospective employee is determining whether the applicant has a criminal history, and if so, assessing the relevancy and potential impact of the conviction on the applicant's fitness for the job.

Your Committee further finds that with the current influx of out-of-state individuals applying for civil service jobs in Hawaii, the counties do not have effective means of conducting a thorough background check, including reviewing prospective employees' convictions that occurred outside of the State. This measure authorizes the counties to obtain national criminal history record information for certain prospective employees, enabling the counties to make well-informed decisions regarding those prospective employees' fitness for jobs that involve liquor control or contact with children or vulnerable adults.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2071, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2071, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ihara, Shimabukuro).

SCRep. 2468 Judiciary and Labor on S.B. No. 2669

The purpose and intent of this measure is to amend the deadline for filing nomination papers for a vacancy in the membership of the Board of Trustees of the Office of Hawaiian Affairs.

Your Committee received testimony in support of this measure from the Office of Elections, the Office of Hawaiian Affairs, the Office of the County Clerk of the County of Maui, and the Office of the County Clerk of the County of Kauai.

Your Committee finds that the State risks violating federal election laws during this year's Office of Hawaiian Affairs Board of Trustees vacancy election. The National Defense Authorization Act for Fiscal Year 2010, Public Law No. 111-84, requires mailing absentee ballots to uniformed and overseas voters no later than forty-five days prior to an election. Under existing state law, candidates for the vacancy election may file their candidacy papers up to fifty days prior to a general election. By placing the deadline for candidates to file at sixty days prior to the general election, which this measure proposes, the Office of Elections will have a sufficient amount of time within which to print and mail ballots to overseas and uniformed voters, and will not be at risk of violating the federal election law.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2669, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2669, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 2469 Education on Gov. Msg. Nos. 524, 525, and 526.

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII TEACHER STANDARDS BOARD

- G.M. No. 524 EDWARD PATRICK, for a term to expire 6-30-2015;
G.M. No. 525 JUSTIN MEW, for a term to expire 6-30-2013; and
G.M. No. 526 TERRY HOLCK, for a term to expire 6-30-2014,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Edward Patrick, Justin Mew, and Terry Holck to possess the requisite qualifications to be nominated to the Hawaii Teacher Standards Board.

Your Committee received testimony in support of the renomination of Edward Patrick from the Hawaii Teacher Standards Board and eight individuals.

Your Committee finds that Mr. Patrick graduated Magna Cum Laude from St. Leo College with a Bachelor's degree in Business Administration Management. Mr. Patrick received a Master's degree in Public Administration from Troy State University. Mr. Patrick went on to receive a Master's degree in Strategic Studies from Air University.

Mr. Patrick is a retired military officer. Over the past twelve years, Mr. Patrick has held a number of executive positions within the United States Air Force, United States European Command, United States Transportation Command, United States Pacific Command, Department of Defense Education Activity, and the Pentagon. Mr. Patrick currently serves as the Deputy Director of Human Resources for the United States Army Pacific Command.

Mr. Patrick also has experience serving as a member of a parochial school board and has served in numerous positions within the Department of Defense Dependents' School System, including the European Schools Council, Pacific Theater Education Council, and Federal Advisory Council for Dependent Education. Since moving to Hawaii, Mr. Patrick has served as the co-chair, along with the Superintendent of Education, of the Joint Venture Education Forum. He has also served as the non-voting military representative on the Board of Education.

Mr. Patrick currently serves as a member of the Hawaii Teacher Standards Board and serves on the Hawaii Teacher Standards Board's Budget, Personnel, and Strategic Committee, as well as the Teacher Education Committee.

Mr. Patrick stressed to your Committee that teacher licensing is the foundation upon which Hawaii can ensure that only well-trained teachers are teaching in Hawaii's public schools.

Mr. Patrick expressed to your Committee that his short-term goal as a member of the Hawaii Teacher Standards Board is to educate the public and the educational community about the mission and function of the Hawaii Teacher Standards Board. Mr. Patrick views the role and responsibility of the Hawaii Teacher Standards Board to set high teacher licensing standards to provide highly qualified teachers, promote professionalism, build confidence in the teaching profession, and provide more accountability.

Mr. Patrick's long-term goals are to see the Hawaii Teacher Standards Board be more responsive to teachers, make the licensing process more user-friendly, and make the Hawaii Teacher Standards Board self-sufficient. Mr. Patrick also noted that the Hawaii Teacher Standards Board must be cognizant of new and innovative ways of teaching to support and sustain highly qualified teachers in the State.

With his many years of working within the educational arena, your Committee believes that Mr. Patrick will continue to provide a unique perspective as a member of the Hawaii Teacher Standards Board.

Your Committee received testimony in support of the nomination of Justin Mew from the Hawaii Teacher Standards Board; Hawaii Government Employees Association, HGEA/AFSCME Local 152, AFL-CIO; and eight individuals.

Your Committee finds that Mr. Mew received his Bachelor's degree in Education, and Master's degrees in Secondary Education and Educational Administration from the University of Hawaii.

Mr. Mew is currently the Principal of Niu Valley Middle School. He previously served as the Principal of Aina Haina Elementary School, Vice Principal of Moanalua Intermediate School, Vice Principal of Aiea Intermediate School, and as a State Science Education Specialist.

Mr. Mew has received numerous awards and accolades and was named the Hawaii State Middle School Principal of the Year in 2011.

Mr. Mew provides the Hawaii Teacher Standards Board with the perspective of a sitting principal and a trained/certified teacher intake interviewer for the Department of Education. These roles have given Mr. Mew the experience of evaluating teachers for hiring and continued employment.

Mr. Mew stressed to your Committee the importance of having highly qualified and highly effective teachers in the classroom in order to support maximum student learning and growth. It is Mr. Mew's belief that there is a direct correlation between teacher quality and student achievement. As such, Mr. Mew sees the responsibilities of the Hawaii Teacher Standards Board to include establishing strong licensure standards and policies, participating in efforts relating to teacher quality, and establishing penalties for teacher misconduct, including license revocation.

Your Committee believes that Mr. Mew will bring valuable experience, knowledge, and leadership to the Hawaii Teacher Standards Board.

Your Committee received testimony in support of the nomination of Terry Holck from the Hawaii Teacher Standards Board, Hawaii State Teachers Association, and eight individuals.

Your Committee finds that Ms. Holck received a Bachelor's degree in Education from the University of Hawaii at Manoa. She has served as a teacher in various Department of Education public schools as well as at Voyager Charter School. Ms. Holck has also served as an educational trainer and a mentor for teacher candidates.

Ms. Holck testified that she first became interested in serving on the Hawaii Teacher Standards Board because she was concerned about the lack of response she and fellow teachers experienced when trying to get information from the Hawaii Teacher Standards Board. Since joining the Hawaii Teacher Standards Board in July 2008, Ms. Holck reported to your Committee that the Hawaii Teacher Standards Board has improved its customer service, responding to teachers within two days of an inquiry.

Ms. Holck currently serves as the Chairperson of the Hawaii Teacher Standards Board. She has also served on the Hawaii Teacher Standards Board's Teacher Standards Committee, Legislative Committee, and License Renewal Committee.

Ms. Holck's long-term goal as a member of the Hawaii Teacher Standards Board is to streamline the licensing processes, including the way data and information is shared between teacher preparation programs, the Hawaii Teacher Standards Board, and employers, to make the entire system more user friendly.

Your Committee finds that Ms. Holck's leadership qualities and commitment to education continue to make her an asset to the Hawaii Teacher Standards Board.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Kidani).

SCRep. 2470 Human Services on Gov. Msg. Nos. 528 and 529.

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 528 CHRISTIAN BUTT, for a term to expire 6-30-2015; and

G.M. No. 529 JEFFREY OKAMOTO, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Christian Butt and Jeffrey Okamoto 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 represented 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 Christian Butt from the Med-QUEST Division, Department of Human Services; the State Council on Developmental Disabilities; Hilopa'a; and three individuals.

Mr. Butt has an extensive background in public service and a thorough knowledge of contract administration. He is currently the Section Administrator of the Contracts Monitoring and Compliance Section of the Department of Human Services. Previous to his current position, he oversaw procurement activities as the Senior Contracts Manager for the Hawaii Health Systems Corporation and

the Contracts Manager for the School Based Behavioral Health Section and Director of the Procurement and Contracts Branch of the Department of Education. Mr. Butt also holds a Juris Doctorate from the William S. Richardson School of Law, University of Hawaii.

Testimony received by your Committee indicates that Mr. Butt has invaluable knowledge from his position with Med-QUEST and his involvement with the contract monitoring activities of the QUEST Expanded Access program. His expertise will strengthen the Council's advocacy to assure that individuals with developmental disabilities have access to and information on medical and dental care. Specifically, Mr. Butt's background and experience with the QUEST Expanded Access program will assist the Council in its State Plan activity to develop a one-page informational sheet that provides clear, concise, and current information on the QUEST Expanded Access program for individuals, families, caregivers, QUEST Expanded Access program care coordinators, and developmental disabilities case managers.

Your Committee finds that Mr. Butt's appointment would fulfill the federal requirement for a representative of Title XIX of the Social Security Act. Your Committee also finds that Mr. Butt's experience will provide the Council with valuable information regarding the issues and concerns for persons with developmental disabilities.

Your Committee received testimony in support of the nomination of Jeffrey Kunio Okamoto from the Department of Health; the State Council on Developmental Disabilities; Hilopa'a; the Center on Disability Studies, University of Hawaii; the Department of Pediatrics, John A. Burns School of Medicine, University of Hawaii; and one individual.

Dr. Okamoto is a medical doctor with an extensive background in pediatrics and developmental disabilities. Currently, Dr. Okamoto is the Medical Director and Interim Division Chief of the Developmental Disabilities Division (Medicaid Waiver) at the Department of Health; a Developmental-Behavioral Pediatrics Subspecialist at the Kapiolani Medical Center for Women and Children; and an Assistant Professor of Pediatrics at the John A. Burns School of Medicine, University of Hawaii.

Dr. Okamoto is a graduate of the John A. Burns School of Medicine at the University of Hawaii. He went on to do his residency in Los Angeles, California, at Kaiser Permanente specializing in pediatrics and later went on to complete a fellowship in developmental behavior pediatrics at the Children's Hospital, Los Angeles. Most recently, Dr. Okamoto was a Fellow at the Joseph P. Kennedy Jr. Foundation in Washington, D.C., where he was placed in Congress with the Senate Subcommittee for Children and Families in the Office of Senator Barbara Mikulski (D-Maryland), with the National Council on Disability, and in the Disability Policy Collaboration Office of The Arc of the United States.

Dr. Okamoto has received numerous awards for his work and contribution to the fields of pediatrics and developmental disabilities. He has demonstrated his strong interest and commitment to children and the developmentally disabled through his extensive involvement in local and national organizations dedicated to these communities.

Testimony received by your Committee indicates that Dr. Okamoto has extensive experience in evaluating, managing, and supporting children and teens with developmental disabilities. He has demonstrated to your Committee a strong motivation to utilize his tremendous wealth of knowledge and clinical experience in the area of developmental and intellectual disabilities. Dr. Okamoto's background and experience in general and developmental pediatrics, policy experience as a Kennedy Public Policy Fellow, and positions in the community on the federal and state level will contribute greatly to the Council's activities addressing the areas of community supports, early childhood, education, employment, and health.

Your Committee finds that Dr. Okamoto's appointment would fulfill the federal requirement for a representative of relevant state entities on the Council. He would serve as the representative for the Department of Health as a relevant State entity and in this capacity he would be the liaison to provide information to and from, and coordination with other Divisions within the Department of Health such as the Adult Mental Health and Child and Adolescent Mental Health Divisions.

Your Committee also finds that Dr. Okamoto's experience would provide the Council with direct and ongoing information about the status of the Developmental Disabilities Division's budget and programs. Furthermore, Dr. Okamoto's nomination will greatly assist the Council in establishing a comprehensive system of supports and services for individuals with developmental disabilities and their families.

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 (Ihara).

SCRep. 2471 Human Services on Gov. Msg. Nos. 530, 531, and 532.

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 530 JOHN A.H. TOMOSO, for a term to expire 6-30-2016;

G.M. No. 531 VALORIE TAYLOR, for a term to expire 6-30-2014; and

G.M. No. 532 JOY MIYASAKI, for a term to expire 6-30-2013,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds John A.H. Tomoso, Valorie Taylor, and Joy Miyasaki 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 John A.H. Tomoso from the Executive Office on Aging, Department of Health; the Department of Housing and Human Concerns, Maui County Office on Aging, County of Maui; the Policy

Advisory Board for Elder Affairs; the Hawaii Government Employees Association; the Hawai'i Public Health Association; Maui Native Hawaiian Chamber of Commerce; Papa Ola Lokahi; and four individuals.

Mr. Tomoso has extensive knowledge and experience in the public and nonprofit sectors as a social worker, administrator, grants specialist, and probation officer, to name a few of his professional experiences. He is currently the Executive Director of Hui No Ke Ola Pono, Inc. in Wailuku, Maui. He was also the Executive on Aging for the Maui County Office on Aging, a position he held for eight years. He has a Master's degree in Social Work from the School of Social Work at the University of Hawaii and has demonstrated his commitment to kupuna through his professional career and affiliations.

Testimony received by your Committee indicates that Mr. Tomoso is highly committed to serving the needs of the community and more specifically, the elderly. He demonstrates a keen awareness of the needs of Maui County kupuna and exhibits the ability to effectively communicate those needs.

Your Committee finds that Mr. Tomoso resides on the island of Maui, thus ensuring broader representation and perspectives on the Board. The neighbor island perspective that Mr. Tomoso provides is crucial to ensure that the direction of the Board encompasses the needs of all islands. His passion to make a positive contribution as demonstrated by his appointment to and service on numerous boards and commissions is a testament to his commitment to the work of the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of the nomination of Valorie Taylor from the Executive Office on Aging, Department of Health; AARP; the Alzheimer's Association, Aloha Chapter; the Policy Advisory Board for Elder Affairs; Catholic Charities Hawai'i; Child & Family Service; Moiliili Community Center; and eight individuals.

Ms. Taylor is presently the Gerontology Program Director at Child and Family Service where she manages six programs and approximately 50 staff and volunteers providing services to approximately 1,500 seniors. Previously, Ms. Taylor was the Director of Assisted Living and Memory Support at Hi'olani Assisted Living at Kahala Nui, and she has held multiple leadership and managerial positions in residential care facilities in Hawaii. She has also held positions on various boards, coalitions, and task forces focused on health and social services. Ms. Taylor earned an Associate's degree in Liberal Arts from the Niagara County Community College, a Bachelor of Social Work degree from Buffalo State College, and completed a semester in the Master's in Social Work program at the University of Hawaii.

Testimony received by your Committee indicates that Ms. Taylor has a great understanding of issues faced by individuals with disabilities. Her experience as a front-line professional working with older adults and their families and her understanding of the impact of public policy in shaping long-term care services and supports make her an ideal candidate who is well-qualified to serve on the Policy Advisory Board for Elder Affairs.

Ms. Taylor indicated from her personal statement that her life and professional experiences have given her the qualifications to serve on the Board. Having worked closely with others in the aging network, she understands the place the Executive Office on Aging and the Policy Advisory Board for Elder Affairs has in leading Hawaii to best provide services to Hawaii's kupuna. As Hawaii's elderly population continues to grow, the Office and the Board will play a vital role not only in providing direction but also in ensuring the quality of the services provided. Given this, she is committed to being a part of the team heading in that direction.

Your Committee is confident that Ms. Taylor's knowledge and expertise combined with her ability to clearly articulate information makes her a highly valued resource on senior issues.

Your Committee received testimony in support of the nomination of Joy Miyasaki from the Executive Office on Aging of the Department of Health, the Policy Advisory Board for Elder Affairs, and seven individuals.

Ms. Miyasaki is an attorney with extensive experience in all aspects of estate planning and trust and estate administration. She earned a Bachelor's degree and Juris Doctorate from Georgetown University. She assists clients in the formation of tax-exempt organizations and provides ongoing representation to tax-exempt organizations. She teaches estate planning as an adjunct faculty member at the William S. Richardson School of Law at the University of Hawaii and was selected as an Adjunct Professor of the Year in 2008.

Ms. Miyasaki continues to demonstrate her commitment to and excellence in the legal profession and the field of estate planning. She is listed in *The Best Lawyers in America* and *Hawaii Super Lawyers*. She is affiliated with numerous legal organizations, holding positions such as Fellow of the American College of Trust and Estate Counsel, Member of the Editorial Board of the *Practical Lawyer* magazine, Member of the Board of Directors of the Hawaii Women's Legal Foundation, Member of the Disciplinary Board of the Hawaii Supreme Court, Member of the Hawaii Estate Planning Council, and Member of the Advisory Council for Project Dana.

Testimony received by your Committee indicates that Ms. Miyasaki possesses a great deal of knowledge with regards to senior issues, especially in the area of protecting their finances and estates. Her skills and expertise are invaluable to the Policy Advisory Board for Elder Affairs as the issue of protecting the assets and finances of seniors becomes a more prevalent issue.

Your Committee believes that Ms. Miyasaki's dedication and leadership skills coupled with her knowledge in the area of trusts and estates make her uniquely qualified to serve on the Board. The Policy Advisory Board for Elder Affairs will greatly benefit from her appointment.

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 (Ihara).

The purpose and intent of this measure is to authorize employees to take family leave to care for a sibling with a serious health condition.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and seven private individuals. The Department of Human Resources Development submitted comments.

Your Committee finds that 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, upon the adoption of a child, or to care for the employee's child, spouse or reciprocal beneficiary, or parent with a serious health condition. However, taking family leave to care for a sibling is not a covered benefit. By extending employees' authorization to take family leave to care for a sibling with a serious health condition, this measure exemplifies Hawaii's rich tradition of ohana and caring for family members.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to ensure 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. 884, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 884, 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. 2473 Judiciary and Labor on S.B. No. 2588

The purpose and intent of this measure is to provide victims of sexual abuse a fair chance to bring a civil action against an individual or entity. Specifically, this measure:

- (1) Extends the statute of limitations from six to eight years to allow individuals subjected to sexual offenses as a minor to bring a civil action against the individual who committed the offense;
- (2) Provides a two-year period for a victim after the lapse of the statute of limitations to bring a civil action against an entity, except for the State, when the entity was grossly negligent;
- (3) Authorizes the court to award the recovery of attorney's fees to the defendant if the sexual abuse accusation was made without basis of fact and with malicious intent; and
- (4) Requires a plaintiff to file with the court a certificate of merit acknowledging the basis that reasonably concludes the plaintiff was a victim of a sexual offense.

Your Committee received testimony in support of this measure from the Sex Abuse Treatment Center at the Kapiolani Medical Center for Women & Children; and four private individuals. Testimony in opposition to this measure was submitted by the Hawaii Catholic Conference. The Department of the Attorney General and two private individuals submitted comments.

Your Committee finds that child sex abuse is an epidemic that unfortunately is not adequately addressed because a vast majority of child abuse victims fail to go to the authorities. As a result, claims expire before these victims are capable of seeking court action. Many victims suffer the effects of sexual abuse in silence due to the shame and secrecy of this act while their perpetrators remain hidden with a potential opportunity to sexually abuse additional victims. This measure protects children from sexual abuse by allowing additional time for victims to seek action.

Your Committee has amended this measure by:

- (1) Adopting the suggestion from the Department of the Attorney General to delete repetitive language that may cause confusion regarding when the statute of limitations begins to toll;
- (2) Requiring that the plaintiff's certificate of merit be sealed and remain confidential; 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. 2588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2588, 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. 2474 Judiciary and Labor on S.B. No. 2576

The purpose and intent of this measure is to authorize a person convicted of a prostitution-related offense to file a motion to vacate the conviction under certain circumstances, and to establish procedures for the motion to vacate judgment.

Your Committee received testimony in support of this measure from the Polaris Project, the Pacific Alliance to Stop Slavery, IMUAlliance, Harm Reduction of Hawaii, and three private individuals. Testimony in opposition to this measure was submitted by the Department of the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Police Department of the City and County of Honolulu. The Office of the Public Defender submitted comments.

Your Committee finds that human trafficking, consisting of the subjugation, recruitment, harboring, or transportation of people for the purpose of forced labor or services, or commercial sexual exploitation, is one of the fastest growing criminal industries. This measure assists in combating human trafficking by allowing trafficking victims who were forced into prostitution to file a motion to have their prostitution convictions vacated from their records.

Your Committee recognizes the concerns raised in the testimony submitted in opposition with respect to the lack of clear filing and motion to vacate judgment procedures, usage of vague terms, and unclear application or inclusion of certain prostitution-related crimes referred to in this measure. Moreover, the testimony in opposition indicates that Rule 40 of the Hawaii Rules of Penal Procedure already provides an established process for defendants to challenge their convictions in a post-conviction proceeding. As such, your Committee believes that these issues merit further discussion as this measure moves through the legislative process.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Polaris Project to:
 - (A) Delete section 712-1203, Hawaii Revised Statutes, relating to promoting prostitution in the second degree, and the federal offenses under title 18 United States Code sections 2422, 2423(a), and 2425 as crimes a defendant may claim having been a victim of in order to file a motion to vacate a prostitution conviction;
 - (B) Specify that official documentation of the defendant's status as a victim of trafficking may be from a law enforcement agency, which may be a federal, state, or local agency;
 - (C) Delete victim services organizations, attorneys, clergy, or medical and other health care professionals as sources from which a defendant may obtain a sworn statement to serve as official documentation that the defendant's participation in prostitution was a result of having been a victim of trafficking; and
 - (D) Delete the court's ability to take any additional action as is appropriate in the circumstances or as justice requires in addition to granting a motion to vacate;
- (2) Inserting an effective date of July 1, 2050, to ensure 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. 2576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2576, S.D. 1, and be 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. 2475 Judiciary and Labor on S.B. No. 2052

The purpose and intent of this measure is to allow the mailing of absentee ballots to all registered voters residing in population areas of less than five hundred voters in lieu of operating polling places for voters in those areas.

Your Committee received testimony in support of this measure from the Office of Elections, the Office of the County Clerk of the County of Maui, the Office of the County Clerk of the County of Kauai, the League of Women Voters of Hawaii, and one private individual.

Your Committee finds that in a normal reapportionment year, attempts are made to line up boundaries to avoid areas being unnecessarily divided on the basis of county council, state representative, state senator, and congressional district lines, and to avoid small population pockets that require the development of their own unique ballot types. A ballot type contains the specific contest, questions, or issues that voters who reside in that specific area are entitled to vote on.

However, due to the invalidation of the 2011 legislative reapportionment plan, the Reapportionment Commission has a limited amount of time to redraft the plan. As such, the boundary lines may not line up with each other so as to avoid small population pockets. Given the small number of voters in each of these possible population pockets and the financial resources and personnel required to establish and operate a polling place for these pockets, this measure allows the county clerk to mail an absentee ballot to each registered voter who resides in a population pocket of less than five hundred voters in lieu of operating a polling place.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2052, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2052, 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, Shimabukuro).

SCRep. 2476 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.B. No. 2335

The purpose and intent of this measure is to clarify the definition of "development" to allow counties to concurrently process subdivision and special management area permits which would expedite the processing of county permit applications.

Your Committees received testimony in support of this measure from the County of Maui Department of Public Works and Land Use Research Foundation of Hawaii. Your Committees received testimony in opposition to this measure from the Office of Planning and Office of Hawaiian Affairs.

Your Committees find that the increase in the number of minor construction projects and the shortage of county personnel in the various county planning offices have significantly delayed the review and processing of minor projects within special management

areas. By excluding "tentative or preliminary subdivisional approval" it will expedite and facilitate work on projects that have been or may be stalled due to delays relating to special management area permitting requirements.

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. 2335 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Tokuda).

SCRep. 2477 Judiciary and Labor on S.B. No. 2846

The purpose and intent of this measure is to authorize the Director of Labor and Industrial Relations to accept notices of employers' insurance from approved third party agencies on a form approved by the Director.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations and the International Longshore and Warehouse Union Local 142.

Your Committee finds that existing law requires employers to file with the Director of Labor and Industrial Relations a notice of the employers' insurance on a form prescribed by the Director. All workers' compensation insurance coverage information is submitted on paper forms and manually inputted into the Department's information system. However, budget cuts and staff reductions have reduced the Department's ability to input insurance information in a timely manner thereby affecting the reliability of the data. This measure will allow the Department to accept and input the insurance information electronically and eliminate the labor-intensive process the Department currently employs.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to ensure 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. 2846, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2846, 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. 2478 Judiciary and Labor on S.B. No. 2842

The purpose and intent of this measure is to make the law relating to the filing of civil actions in housing discrimination cases consistent with the federal laws under the Fair Housing Act. Specifically, this measure:

- (1) Allows an aggrieved person to file a civil action in an appropriate court no later than two years after the occurrence or termination of an alleged discriminatory housing practice; and
- (2) Directs the Hawaii Civil Rights Commission to issue a right to sue on a complaint filed with the Commission if it determines that a civil action alleging similar facts has also been filed.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, the Hawaii Civil Rights Commission, and one private individual. One private individual submitted comments.

Your Committee finds that existing law allows an aggrieved person to file a civil action after filing an administrative complaint with the Hawaii Civil Rights Commission and obtaining a right to sue, which does not comport with the enforcement provisions under the federal Fair Housing Act. Instead, federal law provides the aggrieved person an option to file a civil action without first filing an administrative complaint.

Your Committee notes that in May 2010, the Hawaii Civil Rights Commission received a notice from the Director of the Fair Housing Assistance Program Division of the United States Department of Housing and Urban Development, directing the Commission to seek an amendment to Hawaii's laws to make it substantially equivalent to the federal Fair Housing Act by providing for civil enforcement by an aggrieved person through the commencement of a court action without exhaustion of administrative remedies. This measure satisfies the federal law requirement of substantial equivalency, as required for continued receipt of federal funds. The United States Department of Housing and Urban Development reviewed and approved the language in this measure.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2842, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2842, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 2479 Judiciary and Labor on S.B. No. 3068

The purpose and intent of this measure is to streamline enforcement procedures for bail bondsmen regarding bail bond forfeitures.

Your Committee received testimony in support of this measure from the Da Kine Bail Bonds, Inc. The Judiciary submitted testimony in opposition to this measure.

Your Committee finds that the existing procedures for bail bond forfeitures is long and tedious, and fails to properly hold the bail bondsman and bail insurance company timely accountable for the forfeited bail bond. As a result, Da Kine Bail Bonds, Inc., testified that the State is unable to recoup approximately \$9,000,000 in forfeited bail bonds due to this process. While your Committee recognizes the concerns raised by the Judiciary, your Committee believes that this measure proposes a method that improves the procedures for the payment of forfeited bail bonds. As such, your Committee encourages the Judiciary and Da Kine Bail Bonds to continue the discussion on this matter and develop more streamlined language as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 3068, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3068, 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. 2480 Judiciary and Labor on S.B. No. 2648

The purpose and intent of this measure is to authorize campaign funds to be used to award scholarships to students attending an institution of higher education or vocational education school full-time in a program leading to a degree, certificate, or other recognized educational credential.

Your Committee received testimony in support of this measure from one private individual. The Office of Hawaiian Affairs, the Campaign Spending Commission, and Common Cause Hawaii submitted comments.

Your Committee finds that this measure provides additional scholarship opportunities for students seeking higher education by allowing campaign funds to be used to award scholarships, with certain limitations. Additional scholarship opportunities provide greater incentives for students to work toward obtaining their degrees and achieving their career potential.

As affirmed by the record of votes of the members 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. 2648 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4, Ayes with Reservations (Gabbard, Slom). Noes, none. Excused, 1 (Ihara).

SCRep. 2481 Commerce and Consumer Protection on S.B. No. 2167

The purpose and intent of this measure is to amend the definition of “land surveying” and clarify the definition of “landscape architect”.

Your Committee received testimony in support of this measure from the Board of Professional Engineers, Architects, Surveyors and Landscape Architects; Hawaii Land Surveyors Association; and three individuals. 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 the existing definition of “surveyor” or “land surveyor” is outdated and does not reflect the full scope and practice of land surveying. The clarified definition of “land surveying” proposed by this measure will clearly express the requisite education and experience that is required in order to hold oneself out as a professional licensed land surveyor.

Your Committee has amended this measure by:

- (1) Further revising the definition of “land surveying”; and
- (2) Inserting an effective date of July 1, 2050, to allow for further discussion.

Your Committee notes that the amended definition has been worked on by the Board of Professional Engineers, Architects, Surveyors and Landscape Architects; the Regulated Industries Complaints Office; the Office of the Attorney General; and the Hawaii Land Surveyors Association.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2167, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2167, 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. 2482 (Majority) Commerce and Consumer Protection on S.B. No. 2284

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 owners under reasonable terms and for reasonable costs.

Your Committee received testimony in opposition to this measure from the Community Associations Institute – Hawaii Chapter and one individual. Your Committee received comments on this measure from the Hawaii Real Estate Commission.

Your Committee finds that the amendments proposed by this measure relating to condominium associations may be overly broad. Therefore, this measure may not be the best mechanism to provide association documents to condominium owners.

Your Committee further finds that time share owners are sometimes unable to obtain an accurate and current list of the names and addresses of other time share association members. Your Committee concludes that plan managers should be required to provide membership lists to time share owners for a reasonable fee.

Your Committee has amended this measure accordingly by deleting its contents and inserting language that requires:

- (1) A plan manager of a time share to keep an accurate and current list of the names and addresses of time share association members; and
- (2) The list of time share association members to be made available to owners under certain terms and for reasonable costs.

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. 2284, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2284, 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 (Solomon, Slom). Excused, 2 (Galuteria, Nishihara).

SCRep. 2483 Commerce and Consumer Protection on S.B. No. 2392

The purpose and intent of this measure is to require professional and vocational licensing authorities to accept military education, training, and service toward the qualification for a license and to adopt rules accordingly.

Your Committee received testimony in support of this measure from the United States Department of Defense State Liaison Office; The Chamber of Commerce of Hawaii; and Military Officers Association of America, Hawaii Chapter. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs; Hawaii State Center for Nursing; University of Hawaii at Manoa School of Nursing and Dental Hygiene; Niwao & Roberts, CPAs; and one individual.

Your Committee finds that service members who leave the military often experience delays finding post-service employment. Transitioning service members leave the military with documented training and experience that can prepare them for civilian employment; however, this documentation is not always used by state entities when determining qualifications for an occupational license.

Your Committee has heard the concerns that every licensing authority in the State has its own statutes and rules, with specific requirements for licensure. However, your Committee notes that this measure is not intended to require state licensing authorities to accept any military education, training, or service regardless of whether the education, training, or service has any relevance to the specific licensing area. Rather, this measure is intended to support military veterans by recognizing that the military education, training, or service veterans receive while employed in the United States Armed Forces or Reserves is substantially equal to some of the requirements mandated by the State for obtaining certain licenses.

Your Committee has amended this measure by:

- (1) Requiring professional and vocational licensing authorities to consider, rather than accept, relevant military education, training, or service that is substantially equivalent to state standards for licensure;
- (2) Deleting the requirement for licensing authorities to adopt rules to implement the provisions of this measure;
- (3) Requiring the Licensing Administrator of the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs to communicate the intent and parameters of this measure to each licensing authority and submit a report to the Legislature detailing plans for the implementation of this measure no later than twenty days prior to the convening of the Regular Session of 2013;
- (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. 2392, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2392, 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 (Solomon, Taniguchi). Noes, none. Excused, 2 (Galuteria, Slom).

SCRep. 2484 Commerce and Consumer Protection on S.B. No. 2432

The purpose and intent of this measure is to make permanent the exclusion of pest control operators' activities from the definition of "excavation" under the One Call Center law by repealing the sunset provision in Act 72, Session Laws of Hawaii 2009.

Your Committee received testimony in support of this measure from the Hawaii Pest Control Association and Accu-Pest & Termite Control Services. Your Committee received testimony in opposition to this measure from the Public Utilities Commission, The Gas Company, Building Industry Association of Hawaii, and One Call Concepts, Inc.

Your Committee finds that this measure would exempt all pest control operators from having to comply with the State's One Call utility notification law.

Your Committee has heard the concerns that requiring pest control operators to participate in One Call Center activities will increase costs of termite inspections, incur unnecessary delays, and subject pest control operators to severe penalties. Your Committee is cognizant that complaints about the shallow excavation done by pest control companies are miniscule.

Your Committee further finds that federal law permits a state to assess, rank, and consider appropriate participation by excavators in a state one call notification program. Your Committee therefore concludes that amendments to this measure are necessary.

Your Committee has amended this measure by:

- (1) Specifying that only pest control activity that is not performed under contract with any state or county agency is exempt from the definition of "excavation";
- (2) Extending the sunset date of Act 72, Session Laws of Hawaii 2009, until June 30, 2014;
- (3) Requiring exempt pest control operators to attend training provided by the Hawaii One Call Center;
- (4) Requiring the Public Utilities Commission to conduct an investigation on the risks of residential pest control application and report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014;
- (5) Amending section 1 of this measure to reflect the amended purpose of this measure;
- (6) Inserting an effective date of June 29, 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2432, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2432, 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 (Solomon). Noes, none. Excused, 2 (Galuteria, Nishihara).

SCRep. 2485 Commerce and Consumer Protection on S.B. No. 2465

The purpose and intent of this measure is to allow petitioners adequate time to be heard at a requested special association meeting and prohibit a condominium board from adopting rules for association meetings that would otherwise require a vote of a majority of the quorum to change.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Community Associations Institute – Hawaii Chapter and Hawaii State Association of Parliamentarians.

Your Committee finds that current rules generally used for special association meetings limit the opportunity to be heard for the owners who request these meetings. Your Committee further finds that certain provisions in this measure may conflict with Robert's Rules of Order Newly Revised, the guidebook on meeting management that governs association and board meetings. Your Committee additionally finds that condominium associations, not condominium boards, generally have the power to adopt rules for association meetings.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying the requirements for an adequate opportunity to be heard at a special association meeting; and
- (2) Specifying when an association is prohibited from adopting any rule for association meetings that would otherwise require a vote of a majority of the quorum to change.

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. 2465, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2465, 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, Solomon, Slom).

SCRep. 2486 (Joint) Water, Land, and Housing and Agriculture on S.B. No. 2350

The purpose and intent of this measure is to allow the building of ohana dwellings on lands within the agricultural district, as permitted under section 205-6, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from three Hawaii County Council Members, the Hawaii Association of Realtors, and one individual. Your Committees received testimony in opposition to this measure from the Department of Agriculture and City and County of Honolulu Department of Planning and Permitting. Your Committees received comments on this measure from the Hawaii Farm Bureau Federation.

Your Committees find that allowing ohana dwelling units encourages the private sector to create more housing units without government subsidy, preserves green fields, and eases housing affordability. Your Committees note that the County of Hawaii had previously allowed for ohana dwellings in agricultural districts until it was discovered that there were no existing state laws explicitly permitting ohana dwellings. This measure will allow the counties to authorize special permits for the construction of ohana dwellings.

Your Committees understand the concerns expressed by the Department of Agriculture and the City and County of Honolulu and have amended this measure by:

- (1) Restricting ohana dwellings to counties with a population of 500,000 or less;
- (2) Prohibiting an ohana dwelling from being designated as a limited common element in a condominium or rented as a single unit separate from the primary farm dwelling units;

- (3) Clarifying that ohana dwellings must be located on and used in connection with a farm or located where agricultural activity provides income to the occupants of the farm dwelling; 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 Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2350, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2350, 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 (Kouchi). Noes, none. Excused, 3 (Chun Oakland, Fukunaga, Tokuda).

SCRep. 2487 Water, Land, and Housing on S.B. No. 2850

The purpose and intent of this measure is to shorten from seventy-two hours to twenty-four hours the length of time within which an owner of a vessel grounded on coral reef or in imminent danger of breaking apart must remove the vessel before the Department of Land and Natural Resources may assume control of the vessel.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Ocean Tourism Coalition.

Your Committee finds that vessels grounded on coral reefs are likely to cause extensive and irreparable damage to the State's precious ocean environment if not disposed of in a timely manner. If left unattended, grounded vessels may also break apart and cause marine pollution and other hazards due to wave action. Thus, it is important to dispose of these vessels in a timely manner. However, your Committee understands that it is important to protect the rights of the owner as some of the vessels may be worth millions of dollars.

Accordingly, your Committee has amended this measure by adding language to:

- (1) Allow owners the first right to salvage their grounded vessels if the owners are able to initiate efforts to salvage their grounded vessels within twenty-four hours of grounding; and
- (2) After the twenty-four-hour period has expired, allow owners to continue as the primary agent in salvaging their vessels if the owners provide proof of:
 - (A) A marine insurance policy listing the State as an additional insured for at least \$1,000,000; and
 - (B) Actively and effectively initiating a salvage effort with reasonable evidence that the grounded vessel can be saved within seventy-two hours of grounding or, if the Department of Land and Natural Resources determines that no additional environmental damage exists, beyond seventy-two hours.

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. 2850, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2850, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2488 Judiciary and Labor on S.B. No. 2056

The purpose and intent of this measure is to require a defendant's probation officer to provide the court information regarding the defendant's compliance or non-compliance with the probation prior to the court determining whether to grant an early discharge from probation.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that under existing law, the court may grant early discharge from probation without input from a defendant's probation officer regarding that defendant's compliance with probation terms. This measure serves as an additional tool for the courts to use in its determination of whether a defendant should be discharged from probation early.

As affirmed by the record of votes of the members 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. 2056 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 (Ihara, Slom).

SCRep. 2489 Judiciary and Labor on H.B. No. 1927

The purpose and intent of this measure is to amend the filing deadlines for preliminary and supplemental campaign spending reports to align with existing law or present practice.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and Common Cause Hawaii.

Your Committee finds that the date of the primary election was advanced from the last Saturday in September to the second Saturday in August. This measure changes the existing statutory deadline for filing a candidate's first preliminary campaign spending report from July 31 of an election year to thirty calendar days prior to a primary election to avoid back-to-back filing deadlines of

July 31 and August 1, for the first and second preliminary primary campaign spending reports, respectively, and to align accordingly with the August primary election date.

Your Committee has amended this measure by replacing its contents with the contents of S.B. No. 2508, S.D. 2, which is substantially similar but does not amend section 11-334(a)(4), Hawaii Revised Statutes, relating to the filing deadlines for supplemental reports.

As affirmed by the record of votes of the members 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. 1927, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1927, 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, Shimabukuro).

SCRep. 2490 Judiciary and Labor on S.B. No. 2232

The purpose and intent of this measure is to prohibit the selling, buying, transporting, delivering, offering for sale or transportation, or receiving for transportation in intrastate commerce, any product, item, or substance containing, labeled, or advertised as containing bear gallbladders or bile.

Your Committee received testimony in support of this measure from Born Free USA, the Hawaiian Humane Society, the Species Survival Network, the World Society for the Protection of Animals with a petition of sixty-eight individuals support, and fifty-three private individuals.

Your Committee finds that the methods of extracting bear bile are horrendously inhumane. Bears are commonly kept in extraction cages that measure 2.6 feet by 4.4 feet by 6.5 feet for a bear weighing between one hundred ten to two hundred sixty pounds. These cages prevent the bears from standing upright and severely restrict their movement. The process for extracting the bile involves pushing a hollow steel catheter through the bear's abdomen to "milk" the bile out of the bear.

Despite this inhumane treatment, bear gallbladders and their bile byproduct are used in Asia and the United States to create medicines and some luxury cosmetic items and toiletries. The high worldwide demand for bear gallbladder and bile translate into a high-profit industry. According to testimony, Hawaii is one of the few states that still allows the trade of bear gallbladders taken from bears outside of the State. Your Committee notes that products containing bear bile were found available for sale in Chinatown at \$500 for approximately twenty-eight grams. By prohibiting commercial activities involving any product, item, or substance containing bear gallbladder or bile, this measure allows Hawaii to join the other states that have fully banned this trade.

Your Committee has amended this measure by:

- (1) Correcting language to reflect the intent of the measure to prohibit the receipt of certain bear gallbladder or bile items for transportation in interstate, rather than intrastate, commerce;
- (2) Clarifying that the items prohibited include bear gallbladder or bile, not just items containing bear gallbladder or bile; 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. 2232, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2232, S.D. 1, and be 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. 2491 Judiciary and Labor on S.B. No. 2505

The purpose and intent of this measure is to allow the court to issue a temporary restraining order (TRO) based on sworn oral testimony communicated to the court by telephone, radio, or other means of electronic voice communication when exigent circumstances exist that prevent the applicant from appearing in person.

Your Committee received testimony in opposition to this measure from the Judiciary, the Office of the Public Defender, the Hawaii State Commission on the Status of Women, the Hawaii State Coalition Against Domestic Violence, the Windward Oahu Branch of the American Association of University Women, and one private individual.

Your Committee finds that under current law a court may grant an ex parte TRO based on a written application that serves as a sworn statement describing the reasons a TRO is necessary. Thereafter a judge will review the application and determine whether to issue a TRO based on the statements in the application.

Your Committee is particularly concerned with situations where an abused victim needs a TRO immediately in order to protect oneself from further harm, but due to exigent circumstances, is unable to submit a written application to the court. This measure provides the means for such victims to immediately obtain a TRO by allowing courts to accept sworn oral testimony by telephone, radio, and other means of electronic voice communication.

Your Committee is aware of the testimonies in opposition to this measure, and the concerns raised regarding how sworn oral testimony will be accepted and verified, whether the courts have the means to implement this measure, and whether this measure may diminish the enforceability of a temporary restraining order.

Your Committee believes the intent of this measure can be developed and effectively implemented to enable victims of abuse the opportunity to more easily protect themselves using current electronic technologies.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to ensure 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. 2505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2505, 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. 2492 Judiciary and Labor on S.B. No. 2849

The purpose and intent of this measure is to amend the definition of “sailing school vessel” under chapter 200, Hawaii Revised Statutes, to align with federal regulations.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that this measure aligns the definition of “sailing school vessel” with the federal regulations that governs sailing school vessels. As a result, this measure ensures the legitimacy of sailing school vessels operating in Hawaii by meeting federal 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2849, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2849, 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. 2493 Commerce and Consumer Protection on S.B. No. 2816

The purpose and intent of this measure is to authorize the Department of Health to allow accreditation of the Joint Commission on Accreditation of Healthcare Organizations to substitute for state licensing inspections of hospitals.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii.

Your Committee finds that accreditation by the Joint Commission may substitute for the state inspection in the year in which the accreditation is issued. This measure extends the substitution for the entire three-year accreditation period, while also retaining the Department of Health’s authority to conduct unannounced inspections and investigate complaints. This measure complements the Joint Commission accreditation process and ensures quality care at Hawaii hospitals.

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. 2816, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2816, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

SCRep. 2494 Public Safety, Government Operations, and Military Affairs on S.B. No. 2646

The purpose and intent of this measure is to promote and support diversified agriculture and agricultural self-sufficiency in the State by exempting certain nonresidential agricultural buildings that are on commercial farms and ranches located outside of urban districts and used for agricultural or aquacultural operations from county building permit requirements other than applicable electric and wastewater regulations.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Hawaii Farm Bureau Federation; Hawaii Farmers Union United; Oceanic Institute; Hawaii Aquaculture & Aquaponics Association; Shrimp Improvement Systems Hawaii LLC; High Health Aquaculture; East Oahu County Farm Bureau; Hawaii Livestock Farmers Coalition; Matsuda-Fukuyama Farms, Inc.; Aquaculture Planning & Advocacy, LLC; and numerous individuals. Testimony in opposition to this measure was received from the City and County of Honolulu Department of Planning and Permitting. Comments were received from the Office of Hawaiian Affairs.

Your Committee finds that existing building codes and permitting processes are not efficiently tailored to meet the needs of the State’s commercial agriculture and aquaculture industries and add substantial costs to establishing or expanding farming and ranching. Existing building codes do not effectively facilitate the State’s goals of expanding local food and bioenergy production. Nonresidential agricultural and aquacultural buildings are often required to meet the same county permitting requirements as commercial buildings and buildings used for human habitation.

Your Committee heard testimony on the plight of agricultural farmers and aquaculture producers who are unable to erect low-cost structures to store materials, equipment, and other supplies while protecting their assets against inclement weather, vandalism, and theft. This measure eliminates a time-consuming and costly obstacle to the construction of essential agricultural and aquacultural infrastructure, which improves the economic viability of Hawaii’s agricultural and aquacultural sectors without any financial cost to the State.

Your Committee is concerned that agricultural or aquacultural buildings and structures exempted from building permits may pose issues for nearby residential neighborhoods whose residents may take umbrage to such structures.

Your Committee has amended this measure by:

- (1) Clarifying that the purpose of this measure is to encourage and support diversified agriculture and agricultural self-sufficiency in the State by providing an agricultural building exemption for commercial farms and ranches located outside of the urban district;
- (2) Requiring that the exempted building or structure be:
 - (A) Constructed or installed on a property that is one or more contiguous acres in area if located in a non-residential agricultural or aquacultural park; and
 - (B) Serviced with electricity that complies with state building code electrical standards;
- (3) Exempting certain masonry or wood-framed buildings or structures and appurtenances thereto designed or engineered according to the state building code;
- (4) Clarifying the definition of "agricultural building or aquacultural building" as nonresidential buildings or structures used in or necessary for the operation of the farm or ranch, or for the processing and selling of farm or ranch products;
- (5) Specifying that the new section established by this measure shall not supersede public or private lease conditions;
- (6) Changing the effective date to July 1, 2050, to ensure 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 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. 2646, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2646, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 2495 Public Safety, Government Operations, and Military Affairs on S.B. No. 2248

The purpose and intent of this measure is to require the Hawaii Paroling Authority to establish a compassionate release program for inmates who are terminally ill or have a serious debilitating and irreversible mental or physical condition and meet other requirements.

Your Committee received testimony in support of this measure from the Department of Public Safety, Hawaii Paroling Authority, Community Alliance on Prisons, and seven individuals. Comments were received from the Office of Hawaiian Affairs.

Your Committee finds that correctional facilities across the United States are becoming home to a growing number of elderly adults who often have extensive and costly medical needs that are driving up the cost of incarceration. Concern over how society should deal with the aging and seriously ill prison population has led policymakers in many states to adopt early release, more commonly referred to as compassionate release, for older and seriously ill prisoners who pose a low risk to public safety. As of 2009, thirty-nine states had laws governing compassionate release.

Testimony indicated that there are inmates at Halawa Correctional Facility who are suffering serious debilitating illnesses requiring dialysis and chemotherapy. One inmate who has been diagnosed with cancer is reportedly confined to the Saguaro Correctional Facility. Many inmates are elderly and suffer from chronic diseases that normally occur with aging. Some are disabled in wheelchairs, bedridden, and unable to care for themselves. They need medications, insulin injections, chemotherapy, and other forms of life-sustaining medical measures.

Your Committee believes that this measure is pono, which in Hawaiian means good, upright, and just. More commonly, pono is used to describe an action that is the right thing to do. Your Committee believes that the State has an ethical obligation to do what is pono--provide appropriate medical care of persons confined to correctional facilities.

Your Committee has amended this measure by deleting its contents and inserting substantially similar provisions that create a medical release program for certain ill, disabled, and geriatric inmates who pose a low risk to public safety. The medical release program under this amended measure allows physicians and other medical professionals to use their unique expertise and knowledge of prognosis, geriatrics, cognitive and functional decline, and palliative medicine to determine whether an inmate meets the criteria for medical release. Using this medical foundation, the Hawaii Paroling Authority can balance the need for punishment with an eligible individual's appropriateness for release.

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. 2248, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2248, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

SCRep. 2496 Judiciary and Labor on S.B. No. 2305

The purpose and intent of this measure is to prohibit the taking of any amount, rather than up to one gallon per person per day, of sand and stone seaward from the shoreline, with certain exceptions.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, and seven private individuals. Testimony in opposition to this measure was submitted by three private individuals.

Your Committee finds that coastal erosion is a natural occurrence and is cyclical like many other processes in nature. However, due to the State's dependence on tourism, it is necessary to be vigilant in protecting the State's natural resources, such as its beaches. This measure recognizes the consequences of taking sand and other marine deposits from coastal areas by prohibiting the taking of any amount of sand and stone seaward from the shoreline, with certain exceptions, such as for a public emergency response or the exercise of traditional cultural practices authorized by law or the Hawaii State Constitution.

Your Committee notes the concerns raised by the Office of Hawaiian Affairs regarding the elimination of the one gallon per person per day exception from this measure. However, your Committee further notes that the intent of this measure is to prohibit the taking of sand in any amount; allowing the inadvertent taking of sand of up to one gallon would undermine the intent of this measure. Furthermore, your Committee notes the concerns raised by commercial aquarists that this measure would prevent them from taking sand from the beach containing microorganisms, which is preferable and more beneficial to use in aquariums. However, it was brought to your Committee's attention that similar types of sand are available for purchase in retail stores. Your Committee finds that this is a preferable alternative to allowing further depletion of sand from Hawaii's beaches. Lastly, your Committee recognizes the concern regarding shells and beach glass that are washed up on the sand that may be used for decorations and jewelry.

Accordingly, your Committee has amended this measure by:

- (1) Adding an exception for the taking of driftwood, shells, beach glass, glass floats, or seaweed from the shoreline area; 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. 2305, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2305, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 2497 Judiciary and Labor on S.B. No. 2354

The purpose and intent of this measure is to establish criminal penalties for failure to maintain a certification of ownership or other written proof of ownership of agricultural commodities.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation and the Hawaii Farmers Union United. The Department of Agriculture submitted comments.

Your Committee finds that agricultural theft is a serious problem for many farmers in the State and existing laws are not stringent enough to stop potential thieves. This measure may serve as a greater deterrent of agricultural theft by making the failure to maintain certificates of ownership or other written proof of ownership of agricultural commodities a criminal offense.

Your Committee has amended this measure by:

- (1) Strengthening existing law to require that the certificate required to be completed upon each sale transaction of an agricultural commodity also include the amount and value of the commodity; seller's name, address, telephone number, and license plate number of any vehicle used to deliver the commodity; farm owner's name and address of origin; buyer's or consignee's name; seller's signature; and buyer's or consignee's signature;
- (2) Making theft of agricultural commodities marketed for commercial purposes and for which a person has failed to maintain a certificate of ownership an offense of theft in the second degree;
- (3) Establishing failure to retain the required certificate of ownership while in possession of agricultural commodities as prima facie evidence of theft in the second degree;
- (4) Inserting an effective date of July 1, 2050, to ensure 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. 2354, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2354, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 2498 Judiciary and Labor on S.B. No. 3002

The purpose and intent of this measure is to establish that real estate brokers and salespersons shall not be held liable:

- (1) For misrepresentations based upon a good faith reliance on certain information; and
- (2) For failure to ascertain and disclose all material facts concerning a property if there was a good faith reliance on a prepared disclosure statement.

Your Committee received testimony in support of this measure from the Hawaii Association of Realtors, Prudential Locations LLC, the Honolulu Board of Realtors, and the Oahu Chapter of the National Association of Residential Property Managers. Testimony in opposition to this measure was submitted by the Department of Commerce and Consumer Affairs and the Real Estate Commission.

Your Committee finds that this measure provides a clearer legal standard for the Real Estate Commission to use in determining whether to revoke or suspend real estate broker or real estate salesperson licenses or whether to fine real estate brokers or salespersons.

This measure requires the Real Estate Commission to use the reasonable care standard, rather than the strict liability standard under existing law, when enforcing violations.

Your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Hawaii Association of Realtors to:
 - (A) Identify specific individuals who could misrepresent information that real estate brokers or salespersons may rely on in good faith; and
 - (B) Clarify that real estate brokers and salespersons shall not be held liable for failure to ascertain and disclose all material facts concerning a property if there was reliance in good faith and with due care on a prepared disclosure statement; and
- (2) Inserting an effective date of July 1, 2050, to ensure 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. 3002, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3002, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 2499 Commerce and Consumer Protection on S.B. No. 2103

The purpose and intent of this measure is to authorize registered nurses to execute orders written by physician assistants acting within their scope of practice and acting as agents of their supervising physicians.

Your Committee received testimony in support of this measure from the Hawaii Medical Association, Hawaii Academy of Physician Assistants, and two individuals.

Your Committee finds that this measure authorizes and clarifies conditions under which nurses may execute orders written by physician assistants. This measure is aligned with the Board of Nursing's conclusion that nurses may execute orders given by physician assistants acting as agents of their supervising physicians.

Your Committee further finds that situations may arise that require clear authorization and conditions under which licensed practical nurses may also act on orders from physician assistants acting as agents of their supervising physicians; therefore, similar amendments to the definition of "the practice of nursing as a licensed practical nurse" should be made.

Your Committee has amended this measure by:

- (1) Amending the definition of "the practice of nursing as a licensed practical nurse" to include carrying out the orders of a licensed physician assistant practicing with physician supervision and acting as an agent of the supervising physician;
- (2) Amending the purpose section to reflect the amended purpose 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2103, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2103, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

SCRep. 2500 Commerce and Consumer Protection on S.B. No. 2228

The purpose and intent of this measure is to establish an electronic tracking system for the sale of products containing pseudoephedrine as a base and require the Department of Public Safety Narcotics Enforcement Division to implement the electronic tracking system.

Your Committee received testimony in support of this measure from the Department of Public Safety, Legislative Information Services of Hawaii, and Hawaii Food Industry Association.

Your Committee finds that an electronic tracking system will assist the State in tracking retail pseudoephedrine sales and decrease the production of methamphetamine. This measure will also improve a retailer's ability to safely sell products containing pseudoephedrine to consumers by permitting a retailer to check a computerized database prior to sale.

Your Committee has amended this measure by requiring a pharmacy or retailer to seek an exemption in writing to the Administrator of the Narcotics Enforcement Division, rather than the Board of Pharmacy, as the Narcotics Enforcement Division Administrator has responsibility for tracking controlled substances and regulated chemicals utilized to manufacture controlled substances.

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. 2228, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2228, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

SCRep. 2501 Commerce and Consumer Protection on S.B. No. 2803

The purpose and intent of this measure is to prohibit the performance of a contract by any applicant who lacks an appropriate license and require contract proposals submitted under chapter 103F, Hawaii Revised Statutes, to include the all-inclusive cost to the State.

Your Committee received testimony in support of this measure from the Department of Human Services and the Hawaii Association for the Education of Young Children.

Your Committee finds that this measure would require the performance of a contract, and not the submittal of a contract proposal, to be prohibited if the applicant lacks the appropriate license. However, your Committee further finds that the amendments proposed by this measure are not consistent with the title of this measure, which was originally intended to address problems for child care contracts.

Accordingly, your Committee has amended this measure by replacing its entire contents with the original S.B. No. 2803, which allows the Department of Human Services to accept contract proposals from organizations that are not yet licensed to operate a child care program at specific locations.

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. 2803, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2803, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

SCRep. 2502 Commerce and Consumer Protection on S.B. No. 2084

The purpose and intent of this measure is to prohibit an insurer from requiring a doctor's referral for annual covered screening mammograms for insureds over the age of forty.

Your Committee received testimony in support of this measure from the Hawaii Association of Health Plans and the American Cancer Society.

Your Committee finds that the lives of over one thousand women in the State are lost each year to breast cancer. Your Committee further finds that the early detection of breast cancer is critical to the success of treatment efforts and that consequently, screening mammograms should be made as accessible as possible.

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. 2084, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

SCRep. 2503 Judiciary and Labor on S.B. No. 2250

The purpose and intent of this measure is to encourage the Hawaii Paroling Authority to work with offenders in the community by authorizing the Hawaii Paroling Authority to use a continuum of administrative sanctions in lieu of revocation of parole when a parolee violates a term or condition of parole.

Your Committee did not receive any testimony on this measure.

Your Committee finds that the continuum of administrative sanctions in this measure gives the Hawaii Paroling Authority a broad range of appropriate alternatives to revocation of parole, from modifications or additions to the terms and conditions of parole to the imposition of other appropriate and available sanctions. Your Committee further finds that these alternative sanctions are extensive, including reimprisonment, community service, house arrest or home detention, electronic surveillance or monitoring, and treatment and counseling services.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2250, 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. 2504 Judiciary and Labor on S.B. No. 2262

The purpose and intent of this measure is to clarify that the medical use of marijuana is considered to be consistent with the Pain Patient's Bill of Rights, chapter 327H, Hawaii Revised Statutes.

Your Committee did not receive any testimony on this measure.

Your Committee finds that various studies show that medical marijuana can provide relief to and improve the quality of life for those who suffer from chronic pain. The Pain Patient's Bill of Rights gives patients the right to request or reject all treatment modalities to relieve severe acute or chronic pain. This measure will ensure that patients who use medical marijuana to reduce their pain and improve their quality of life have these same rights.

As affirmed by the record of votes of the members 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. 2262, 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. 2505 Judiciary and Labor on S.B. No. 2318

The purpose and intent of this measure is to:

- (1) Adopt the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act, to ensure that only one state has jurisdiction at any one time in adult guardianship cases and protective proceedings;
- (2) Adopt guidelines to specify which court has jurisdiction to appoint a guardian or conservator for an incapacitated adult; and
- (3) Prioritize the states that may claim jurisdiction.

Your Committee did not receive testimony for this measure.

Your Committee finds that the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act provides uniformity and reduces conflict among state jurisdictions. The Act deals primarily with jurisdictional, transfer, and enforcement issues relating to adult guardianships and protective proceedings. To date, approximately thirty jurisdictions, including the District of Columbia, have adopted the Act with four other states, including Hawaii, considering its adoption.

As affirmed by the record of votes of the members 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. 2318, 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 (Ihara, Slom).

SCRep. 2506 Judiciary and Labor on S.B. No. 2444

The purpose and intent of this measure is to implement amendments to article 9 of the Uniform Commercial Code, as set forth by the Commission to Promote Uniform Legislation.

Your Committee did not receive testimony for this measure.

Your Committee finds that this measure provides greater clarity regarding the name of an individual debtor to be provided on a financing statement, improves the filing system for financing statements, and provides greater protection for an existing secured party with a security interest in after-acquired property upon a relocation or merger of its debtor. Furthermore, this measure allows Hawaii's version of article 9 of the Uniform Commercial Code to be consistent with article 9 as it has been adopted in other jurisdictions, which is necessary to avoid conflicts and confusion with respect to interstate transactions.

As affirmed by the record of votes of the members 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. 2444, 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 (Ihara, Slom).

SCRep. 2507 Commerce and Consumer Protection on S.B. No. 3036

The purpose and intent of this measure is to specify that group health insurance plans shall provide dependent coverage for natural grandchildren adopted by plan participants or beneficiaries.

Your Committee received no testimony on this measure.

Your Committee finds that requiring group health insurance plans to provide dependent coverage for adopted grandchildren and grandchildren who are going through a formal adoption process is reflective of the current practice of insurance providers in Hawaii.

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. 3036, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

SCRep. 2508 Judiciary and Labor on S.B. No. 2826

The purpose and intent of this measure is to provide pharmacists with immunity from liability while performing volunteer medical assistance services.

Your Committee received testimony in support of this measure from the Department of Health, The Queen's Health Systems, and one private individual.

Your Committee finds that medically licensed volunteer workers who perform volunteer medical assistance services within the scope of their license are indemnified under state law when responding to an emergency and during non-emergency situations, such as school-based immunization clinics. By indemnifying pharmacists who perform volunteer medical assistance services, this measure will assist in providing further medical coverage in emergency and non-emergency situations and provide a critical public health resource.

As affirmed by the record of votes of the members 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. 2826, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 2509 Judiciary and Labor on S.B. No. 1168

The purpose and intent of this measure is to prohibit the use of tobacco products by minors and to allow a law enforcement officer to confiscate tobacco used by the minor.

Your Committee received testimony in support of this measure from the Department of Health, the Coalition for a Tobacco-Free Hawaii, and one private individual. Testimony in opposition to this measure was submitted by the Police Department of the City and County of Honolulu.

Your Committee finds that smoking and tobacco use are the leading causes of preventable illnesses and deaths in the nation. This measure prohibits a minor from not only purchasing, but also using tobacco products, and allows law enforcement officer to confiscate the tobacco product used by the minor. In comparison to creating criminal penalties for the minor, the confiscation of the tobacco product is the preferred means of sending a clear and correct message that persons under the age of eighteen should not use tobacco products.

As affirmed by the record of votes of the members 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. 1168, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 2510 Judiciary and Labor on S.R. No. 19

The purpose and intent of this measure is to urge Grove Farm Company to allow Koloa Plantation Camp tenants to remain on the camp property past the eviction date and assign the tenants affordable housing units once the company's proposed development project is complete.

Your Committee received testimony in support of this measure from a member of the Board of Trustees of the Office of Hawaiian Affairs and five private individuals. Testimony in opposition to this measure was submitted by two private individuals. A Koloa Plantation Camp resident submitted comments.

Your Committee finds that the Koloa Plantation Camp is a small, rustic neighborhood that is comprised of century-old homes from Hawaii's first sugar plantation. Thirteen tenant families currently live at Koloa Plantation Camp. Two weeks prior to Thanksgiving 2011, these tenant families were served with eviction notices directing them to vacate their homes by March 8, 2012, providing them with less than one hundred twenty days to leave their homes.

Your Committee finds that Grove Farm Company owns the land on which Koloa Plantation Camp is located and is proposing to develop a fifty-unit residential subdivision on the plantation camp land. As a result, the Koloa Plantation Camp community has united to form Save Koloa Camp to stop the evictions. While Save Koloa Camp is not against the affordable housing project, the group believes that there are many reasons why Koloa Plantation Camp is a poor choice for this proposed development location. As such, Koloa Plantation Camp tenants have proposed an alternative solution that they believe is beneficial to the tenants and the landowner.

Your Committee commends the individual representing the Koloa Plantation Camp tenants who provided comments and information, and appreciates this individual's dedication to saving Koloa Plantation Camp, which is the birthplace of the sugar industry in Hawaii. According to this individual's testimony, the Koloa Plantation Camp tenants support the portion of this measure to allow them to stay on the property past the eviction date. However, they do not want Grove Farm Company to assign them affordable housing units upon completion of the proposed development project. Instead, the tenants want an opportunity to engage in formal discussions with Grove Farm Company to develop an alternative solution that would enable them to remain in their homes and allow Grove Farm Company to build the proposed development elsewhere.

Your Committee strongly believes that razing the historic Koloa Plantation would be a tragic loss not only to the plantation tenants who stand to lose their homes, but also to the State. Koloa Plantation is one of the last remnants of century-old homes that are a historic living symbol of local culture and lifestyle of Kauai and the State. While your Committee recognizes the legal parameters arising from Grove Farm Company's vested rights as landowner and landlord with regard to the Koloa Plantation Camp, it believes the exercise of these rights should be done with due care.

Accordingly, your Committee has amended this measure by:

- (1) Changing the purpose and intent of this measure to:
 - (A) Urge Grove Farm Company to place an immediate stay of eviction to allow the Koloa Plantation Camp tenants to remain in their homes until alternative solutions are developed; and
 - (B) Urge Grove Farm Company to engage in meaningful discussions with the tenants of Koloa Plantation Camp regarding the future plans for the plantation property and the development of alternative solutions;
- (2) Changing the title of this measure to accurately reflect the position of the Koloa Plantation Camp tenants as indicated by the submitted testimony;
- (3) Adding language to provide the following information:
 - (A) The historical significance and value of the Koloa Plantation Camp and the structures that exist on the property;
 - (B) The historical relationship between plantation landowners and the plantation tenants;
 - (C) The relationship between Grove Farm Company and the tenants of Koloa Plantation Camp; and
 - (D) The details regarding the alternative solution proposed by the Koloa Plantation Camp tenants;
- (4) Adding individuals and agencies to whom certified copies of this measure shall be transmitted; 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 concurs with the intent and purpose of S.R. No. 19, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 19, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

SCRep. 2511 Judiciary and Labor on S.C.R. No. 52

The purpose and intent of this measure is to urge Grove Farm Company to allow Koloa Plantation Camp tenants to remain on the camp property past the eviction date and assign the tenants affordable housing units once the company's proposed development project is complete.

Your Committee received testimony in support of this measure from a member of the Board of Trustees of the Office of Hawaiian Affairs and five private individuals. Testimony in opposition to this measure was submitted by two private individuals. A Koloa Plantation Camp resident submitted comments.

Your Committee finds that the Koloa Plantation Camp is a small, rustic neighborhood that is comprised of century-old homes from Hawaii's first sugar plantation. Thirteen tenant families currently live at Koloa Plantation Camp. Two weeks prior to Thanksgiving 2011, these tenant families were served with eviction notices directing them to vacate their homes by March 8, 2012, providing them with less than one hundred twenty days to leave their homes.

Your Committee finds that Grove Farm Company owns the land on which Koloa Plantation Camp is located and is proposing to develop a fifty-unit residential subdivision on the plantation camp land. As a result, the Koloa Plantation Camp community has united to form Save Koloa Camp to stop the evictions. While Save Koloa Camp is not against the affordable housing project, the group believes that there are many reasons why Koloa Plantation Camp is a poor choice for this proposed development location. As such, Koloa Plantation Camp tenants have proposed an alternative solution that they believe is beneficial to the tenants and the landowner.

Your Committee commends the individual representing the Koloa Plantation Camp tenants who provided comments and information, and appreciates this individual's dedication to saving Koloa Plantation Camp, which is the birthplace of the sugar industry in Hawaii. According to this individual's testimony, the Koloa Plantation Camp tenants support the portion of this measure to allow them to stay on the property past the eviction date. However, they do not want Grove Farm Company to assign them affordable housing units upon completion of the proposed development project. Instead, the tenants want an opportunity to engage in formal discussions with Grove Farm Company to develop an alternative solution that would enable them to remain in their homes and allow Grove Farm Company to build the proposed development elsewhere.

Your Committee strongly believes that razing the historic Koloa Plantation would be a tragic loss not only to the plantation tenants who stand to lose their homes, but also to the State. Koloa Plantation is one of the last remnants of century-old homes that are a historic living symbol of local culture and lifestyle of Kauai and the State. While your Committee recognizes the legal parameters arising from Grove Farm Company's vested rights as landowner and landlord with regard to the Koloa Plantation Camp, it believes the exercise of these rights should be done with due care.

Accordingly, your Committee has amended this measure by:

- (1) Changing the purpose and intent of this measure to:
 - (A) Urge Grove Farm Company to place an immediate stay of eviction to allow the Koloa Plantation Camp tenants to remain in their homes until alternative solutions are developed; and
 - (B) Urge Grove Farm Company to engage in meaningful discussions with the tenants of Koloa Plantation Camp regarding the future plans for the plantation property and the development of alternative solutions;
- (2) Changing the title of this measure to accurately reflect the position of the Koloa Plantation Camp tenants as indicated by the submitted testimony;
- (3) Adding language to provide the following information:
 - (A) The historical significance and value of the Koloa Plantation Camp and the structures that exist on the property;
 - (B) The historical relationship between plantation landowners and the plantation tenants;
 - (C) The relationship between Grove Farm Company and the tenants of Koloa Plantation Camp; and
 - (D) The details regarding the alternative solution proposed by the Koloa Plantation Camp tenants;
- (4) Adding individuals and agencies to whom certified copies of this measure shall be transmitted; 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 concurs with the intent and purpose of S.C.R. No. 52, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 52, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

SCRep. 2512 Commerce and Consumer Protection on S.B. No. 2522

The purpose and intent of this measure is to establish a veterinary license renewal requirement of at least twenty credit hours of continuing education during each licensing biennium.

Your Committee received testimony in support of this measure from the Board of Veterinary Examiners, Hawaii Veterinary Medical Association, Windward Community College, and two individuals. Your Committee received comments on this measure from the Hawaii Farm Bureau Federation.

Your Committee finds that the veterinarian profession is dedicated to a lifetime of learning. Veterinarians attend conferences, read medical journals, and complete online continuing education courses. This measure would require continuing education so that veterinarians may continue to provide the best care for their animal patients. Your Committee further finds that the Board of Veterinary Examiners, Hawaii veterinarians, administrators in the Department of Commerce and Consumer Affairs, education providers, and legislators are all in agreement about mandating continuing education.

Your Committee has amended this measure by:

- (1) Clarifying which courses are acceptable to meet the twenty credit hour continuing education requirement;
- (2) Specifying that failure to renew a license on or before June 30 of each even-numbered year shall constitute forfeiture of the license, until certain requirements are met for restoration of the license;
- (3) Delaying the application of the continuing education requirement until the licensing renewal deadline of June 30, 2016, in order to hold a valid license for the period beginning July 1, 2017, and thereafter;
- (4) Removing the provision that would have provided for the suspension of a license until continuing education requirements were met and the license was renewed; 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. 2522, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2522, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5, Ayes with Reservations (Solomon). Noes, none. Excused, 2 (Galuteria, Slom).

SCRep. 2513 Commerce and Consumer Protection on S.B. No. 2009

The purpose and intent of this measure is to regulate the use of claims history information for homeowners insurance and provide certain consumer protections with respect to the use of this information.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Your Committee received testimony in opposition to this measure from the Hawaii Insurers Council, Property Casualty Insurers Association of America, State Farm Insurance Companies, and National Association of Mutual Insurance Companies.

Your Committee finds that claims history databases provide insurance companies access to consumer claims information. This measure regulates the use of claims history reports by home insurers in Hawaii.

Your Committee has heard the concerns that some of the provisions in this measure may result in higher prices or reduced availability of homeowners insurance. Your Committee notes that the federal Fair Credit Reporting Act provides consumers similar rights with regard to claims history reports and credit reports; however, there is merit to establishing certain state controls over the use of claims history reports when no claim is made.

Your Committee has amended this measure by:

- (1) Adding the new part, Homeowners Insurance Claims History, to chapter 431, article 10E, Hawaii Revised Statutes, rather than chapter 431, article 10, Hawaii Revised Statutes;
- (2) Deleting certain definitions and the sections relating to the use of insurance claims history information generally, dispute resolution and error correction, disclosure to insurance consumers, treatment of certain information, and disclosures by claims history report providers;
- (3) Clarifying how an insurer may use inquiries made by a consumer; 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. 2009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2009, 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, Solomon, Slom).

SCRep. 2514 Commerce and Consumer Protection on S.B. No. 2469

The purpose and intent of this measure is to amend medical claim conciliation laws to reflect the conciliatory role, rather than the adversarial nature, of medical claim conciliation panels.

Your Committee received testimony in support of this measure from the Hawaii Association for Justice, Hawaii Medical Association, and one individual. Your Committee received testimony in opposition to this measure from one individual. Your

Committee received comments on this measure from the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure will reduce the current adversarial nature of the medical claims conciliation process and emphasize its originally intended conciliation role. The medical inquiry and conciliation process proposed by this measure will facilitate communication and encourage amicable resolution of disputes between doctors and patients.

Your Committee has heard the concerns that requiring a potential plaintiff to meaningfully participate in an inquiry prior to instituting litigation is a one-sided requirement with potentially negative consequences. Although the primary goal of this measure is to move away from adversarial proceedings, requiring proof of a plaintiff's meaningful participation may invite substantial future litigation.

Your Committee has also heard the concerns that the Office of Administrative Hearings needs sufficient time to obtain and train panel members who are interested in the conciliation process. Your Committee concludes that a delayed effective date of this measure is necessary.

Your Committee has amended this measure by:

- (1) Deleting the provision that would have required potential plaintiffs to meaningfully participate in the conciliation process prior to instituting litigation;
- (2) Inserting an effective date of January 2, 2014; 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. 2469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2469, 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. 2515 Judiciary and Labor on S.B. No. 650

The purpose and intent of this measure is to propose an amendment to the Hawaii State Constitution to authorize the Chief Justice of the Hawaii Supreme Court to appoint judges who have retired upon attaining the age of seventy years to serve as per diem judges or judicial mentors for terms not to exceed three months.

Your Committee received testimony in support of this measure from the Judiciary. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that this measure recognizes the knowledge and experience of retired judges as valuable resources. Retired judges can serve as judicial mentors to other sitting judges, and can assist in expediting the disposition of cases.

As affirmed by the record of votes of the members 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. 650 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 (Ihara, Slom).

SCRep. 2516 Judiciary and Labor on S.B. No. 2495

The purpose and intent of this measure is to create a misdemeanor offense for and specify conditions that constitute maintaining a property nuisance.

Your Committee received testimony in support of this measure from six private individuals. Testimony in opposition to this measure was submitted by the Office of the Public Defender, the Department of Environmental Services of the City and County of Honolulu, and Insurance Auto Auctions. Comments were received by the Department of the Attorney General, the Department of Design and Construction of the City and County of Honolulu, and the Honolulu Authority for Rapid Transportation.

Your Committee finds that this measure provides an effective mechanism to protect residential neighborhoods from individual investors who purchase large blocks of property for the purpose of blighting the neighborhood. This practice is called "block busting" with the goal of lowering the overall property values to make it easier for the investor to buy the rest of the surrounding properties in the neighborhood at a lower price.

Your Committee notes the concerns that the language in this measure may be overly broad, vague, or subjective and fails to take into account various lawful permitted or zoning activities that may be subject to this measure. Furthermore, testimony indicated that visual blight is subject to a broad interpretation that may be too subjective to effectively prosecute. As a result, your Committee encourages stakeholders to discuss these matters and develop language to streamline this measure.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying the conditions or activities that constitute the offense of maintaining a property nuisance;
- (2) Adding a definition for "visual blight" to provide further clarity;
- (3) Inserting an effective date of July 1, 2050, to ensure 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. 2495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2495, 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. 2517 Judiciary and Labor on S.B. No. 2496

The purpose and intent of this measure is to create a cause of action against any person who maintains a property nuisance that causes injury or damage to the person or property of another, and to specify the conditions that constitute a property nuisance.

Your Committee received testimony in support of this measure from five private individuals. Testimony in opposition to this measure was submitted by the Department of Environmental Services of the City and County of Honolulu, and Insurance Auto Auctions. Comments were received by the Department of the Attorney General, and the Department of Design and Construction of the City and County of Honolulu.

Your Committee finds that this measure provides an effective mechanism to protect residential neighborhoods from individual investors who purchase large blocks of property for the purpose of blighting the neighborhood. This practice is called “block busting” with the goal of lowering the overall property values to make it easier for the investor to buy the rest of the surrounding properties in the neighborhood at a lower price.

Your Committee notes the concerns that the language in this measure may be overly broad, vague, or subjective and fails to take into account various lawful permitted or zoning activities that may be subject to this measure. Furthermore, testimony indicated that visual blight is subject to a broad interpretation that may be too subjective to effectively give rise to a cause of action. As a result, your Committee encourages stakeholders to discuss these matters and develop language to streamline this measure.

Your Committee has amended this measure by:

- (1) Clarifying the conditions or activities that constitute a property nuisance;
- (2) Adding a definition for “visual blight” to provide further clarity;
- (3) Inserting an effective date of July 1, 2050, to ensure 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. 2496, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2496, 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. 2518 Judiciary and Labor on S.B. No. 2900

The purpose and intent of this measure is to impose a time limit of five years during which inmates may seek post-conviction relief in the state courts, and limit the number of successive complaints a petitioner may file.

Your Committee received testimony in support of this measure from the Department of the Attorney General, the Office of the Prosecuting Attorney of the County of Hawaii, and the Department of the Prosecuting Attorney of the County of Maui. Testimony in opposition to this measure was submitted by the Office of the Public Defender, the Community Alliance on Prisons, and the American Civil Liberties Union of Hawaii.

Your Committee finds that existing law does not have a statute of limitations on petitions for post-conviction relief in state courts. Defendants are able to file challenges to their convictions and custody long after the actual events, which makes it difficult to address the merits of the challenges and, if necessary, to hold retrials or new hearings. Establishing a five-year statute of limitation ensures that conviction and custody challenges are reviewed and decided upon when the record and witnesses are more likely to be available. Furthermore, a statute of limitations promotes finality to convictions and sentences within a more reasonable timeframe and prevents the filing of numerous frivolous and repetitive petitions.

Your Committee recognizes the testimony submitted in opposition to this measure that indicates this measure may unfairly prevent defendants from seeking relief in the courts for a wrongful conviction thereby potentially penalizing them for circumstances that may be beyond their control. For example, the number of exonerations is rising due to post-conviction DNA testing, which is a test that may not have been available at the time of a defendant’s conviction.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an exemption for post-conviction DNA testing under part XI of chapter 844D, Hawaii Revised Statutes;
- (2) Inserting an effective date of July 1, 2050, to ensure 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. 2900, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2900, 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, Shimabukuro).

SCRep. 2519 (Joint) Water, Land, and Housing and Energy and Environment on S.B. No. 2001

The purpose and intent of this measure is to amend the Hawaii State Planning Act to include promoting the development of geothermal energy resources that are located on public trust land as a source of firm power and ensure that the development of energy resources on public trust land directly benefits Native Hawaiians and public beneficiaries of the trust.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Native Hawaiian Chamber of Commerce, Innovations Development Group, Association of Hawaiian Civic Clubs, and four individuals.

Your Committees find that this measure is consistent with the State's goals and initiatives to promote renewable energy resources. Further, renewable energy resources are assets of the public trust but have not been recognized or developed by the State as public trust assets. Renewable resources within the trust include geothermal, tidal, wave, and ocean thermal energy conversion energy resources located on submerged lands. Specifically, for over seventeen years, geothermal resources have been developed for electricity on the island of Hawaii. Although these are public trust assets, their development has never brought a real or direct benefit to the resident beneficiaries.

Trust law requires the State, as trustee of these renewable energy assets, to ensure that there is a direct benefit for the beneficiaries of the public trust land who are Native Hawaiians and the public.

Accordingly, your Committees have amended this measure by clarifying that indigenous renewable energy resources, not just geothermal energy resources, located on public trust land should be promoted and developed for the benefits of Native Hawaiians and public beneficiaries of the trust.

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. 2001, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2001, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

SCRep. 2520 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 2438

The purpose and intent of this measure is to make an emergency appropriation to satisfy twenty-four claims against the State and its officers or employees for fiscal year 2011-2012, because the requested funds were not appropriated during the previous legislative regular session.

Your Committees received testimony in support of this measure from the Department of the Attorney General, the Judiciary, and the Department of Education.

Your Committees find that during the Regular Session of 2011, a request was made to the Legislature for funds to satisfy judgments and settlements of claims against the State for fiscal year 2010-2011. Those requested funds were not appropriated and as a result, certain claimants have sought or threatened to initiate legal action against the State. This measure seeks an emergency appropriation to satisfy twenty-four judgments and settlements totaling \$5,790,697.12 in order to avoid further legal action and expenses.

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. 2438, 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, 15. Noes, none. Excused, 3 (Dela Cruz, Fukunaga, Ihara).

SCRep. 2521 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 2437

The purpose and intent of this measure is to make an emergency appropriation in the amount of \$1,725,000 for fiscal year 2011-2012, to fund the State's voting system contract for the 2012 elections.

Your Committees received testimony in support of this measure from the Office of Elections, the Office of the County Clerk of the County of Kauai, and the Office of the County Clerk of the County of Maui.

Your Committees find that the Office of Elections is in a multi-year contract with a vendor to provide a voting system for elections. Although there was sufficient funding to cover the prior 2010 election cycle, the current biennium budget for the Office of Elections does not include funding for the 2012 election cycle of the contract. As such, this measure provides the Office of Elections sufficient funding to cover its portion of the cost for the voting system and ensures that the office fulfills maintenance of effort provisions of the Help America Vote Act of 2002, which is necessary to maintain the State's eligibility for federal funding.

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. 2437, H.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 15. Noes, none. Excused, 3 (Dela Cruz, Fukunaga, Ihara).

SCRep. 2522 (Joint) Hawaiian Affairs and Economic Development and Technology on S.B. No. 2175

The purpose and intent of this measure is to designate the month of February as "Olelo Hawaii Month" to celebrate and encourage the use of Hawaiian language.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, an individual member of the Maui County Council, Association of Hawaiian Civic Clubs, Kuakini Hawaiian Civic Club of Kona, Sovereign Councils of the Hawaiian Homelands Assembly, Kewalo Hawaiian Homestead Community Association, Waianae Kai Homestead Community Association, Nanakuli Homestead Community Association, Anuenue School, and four individuals.

Your Committees find that while the Hawaiian language was once spoken throughout Hawaii by Native Hawaiians and foreigners alike, the language was considered to be nearly extinct by the 1980s, when fewer than fifty fluent speakers under the age of eighteen were left. A major reason for the deterioration of the Hawaiian language was an 1896 law that required English instruction in Hawaii schools, which essentially banned Hawaiian students from speaking their native tongue. However, great strides have been made to bring about a renaissance of the Hawaiian language through programs such as 'Aha Punana Leo's Hawaiian language immersion schools, the Department of Education's Hawaiian language immersion program, and the Hawaiian language programs of the University of Hawaii System.

Your Committees also find that usage of the Hawaiian language will increase if state and county documents, letterheads, symbols, and emblems, when newly created, replaced, or reprinted, contain accurate, appropriate, and authentic Hawaiian names and language.

Your Committees have amended this measure by:

- (1) Inserting language from S.B. 1130, S.D. 1, Regular Session of 2011, which requires all newly created, replaced, or reprinted, state and county documents, letterheads, symbols, and emblems, to contain accurate, appropriate, and authentic Hawaiian names and language;
- (2) Inserting language translating section 1 of S.B. 1130, S.D. 1, into the Hawaiian language; 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 Hawaiian Affairs and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2175, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2175, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Galuteria, Hee, Slom).

SCRep. 2523 (Joint) Hawaiian Affairs and Economic Development and Technology on S.B. No. 3007

The purpose and intent of this measure is to designate the second Monday in October as Indigenous Peoples' Day, rather than Discoverers' Day.

Your Committees received testimony in support of this measure from the Kewalo Hawaiian Homestead Community Association, Ka Pakaukau, United Confederation of Taino People, and twelve individuals. Your Committees received testimony in opposition to this measure from the Office of Hawaiian Affairs. Your Committees received comments on this measure from the Association of Hawaiian Civic Clubs and Ke Aupuni o Hawaii.

Your Committees find that the intent of this measure is to express solidarity with and support for indigenous peoples. As recognized in the United Nations' Declaration on the Rights of Indigenous Peoples, indigenous peoples have the right to the full enjoyment, as a collective or as individuals, of all human rights and fundamental freedoms. Your Committees further find that Indigenous Peoples' Day should also serve as a memorial to the State's recognition of the Native peoples of Hawaii and stand as a testament to that recognition.

Your Committees have amended this measure by:

- (1) Retaining language in section 8-1.5, Hawaii Revised Statutes, that recognizes the Polynesian discoverers of the Hawaiian Islands;
- (2) Deleting language that recognizes indigenous people who have survived the past five hundred years and calls for educating the general public about the ongoing plight of indigenous people;
- (3) Inserting language that recognizes the accomplishments of indigenous voyagers who settled the Pacific Ocean before Columbus was born and designates Indigenous Peoples' Day as a day to educate the general public on the State of Hawaii's obligations to the Native peoples of Hawaii; 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 Hawaiian Affairs and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3007, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3007, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Galuteria, Hee, Slom).

SCRep. 2524 (Joint) Public Safety, Government Operations, and Military Affairs and Energy and Environment on S.B. No. 2640

The purpose and intent of this measure is to allow the use of individual wastewater systems as an on-site means of wastewater disposal in lieu of county-operated wastewater treatment works.

Your Committees received testimony in support of this measure from Ka Honua Momona International, Honson Company, Inc., Life of the Land, Sierra Club, and two individuals. Your Committees received testimony in opposition to this measure from the Department of Health and Department of Environmental Services of the City and County of Honolulu.

Your Committees find that Hawaii's fresh water sustains all life within this State, and that conventional wastewater treatment systems use more of this finite resource than many innovative, individual wastewater treatment systems. Individual wastewater treatment systems should be allowed under specific circumstances to enable the State to meet its sustainability goals.

Your Committees have amended this measure by:

- (1) Clarifying that counties shall permit individual wastewater treatment systems as an on-site means of wastewater disposal when the system pre-dates a county-operated wastewater treatment system and the county determines that allowing the system is fair and equitable;
- (2) Requiring the counties, no later than December 31, 2013, to adopt rules or ordinances allowing individual wastewater treatment systems; 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 Public Safety, Government Operations, and Military Affairs and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2640, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2640, 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, 3 (Baker, English, Green).

SCRep. 2525 Ways and Means on S.B. No. 2169

The purpose and intent of this measure is to address the recommendations of the Auditor in the "Study Regarding the Transfer of Non-General Funds to the General Fund", prepared pursuant to House Concurrent Resolution No. 166 of the Regular Session of 2011.

Your Committee received testimony in opposition to this measure from the State of Hawaii- Office of the Auditor.

Your Committee finds that this measure provides a vehicle for any recommendations of the Auditor, pursuant to House Concurrent Resolution No. 166 of the Regular Session of 2011, which requested the Office of the Auditor to identify non-general funds that can be transferred to the general fund as well as to propose legislation to implement any recommended transfers.

Your Committee also finds that this measure should continue to move through the legislative process in order to ensure that a viable legislative vehicle remains available to insert any proposals the Auditor may provide at a future date during the 2012 Regular 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. 2169, and recommends that it pass Second Reading and placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kim).

SCRep. 2526 Ways and Means on S.B. No. 2544

The purpose and intent of this measure is to repeal the temporary limit on the amount of itemized deductions that may be claimed for the purposes of state income tax by certain taxpayers, as established by Act 97, Session Laws of Hawaii 2011.

Testimony in support of this measure was submitted by the University of Hawaii Foundation; Child and Family Services; Genoa Keawe Foundation Hawaii Music and Dance Hall of Fame, Papakolea Community; National Tropical Botanical Garden; Catholic Charities Hawaii; Agricultural Leadership Foundation of Hawaii; Hawaii Food Bank; Lanakila Pacific; Conservation Council of Hawaii; The Arc in Hawaii; Honolulu Museum of Art; Ola Hawaii 2020; and fifty-eight individuals.

Testimony in opposition of this measure was submitted by four individuals. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that charitable donations are an important source of funding for nonprofit and charitable organizations in Hawaii. Your Committee also finds that the majority of itemized deductions that are claimed by taxpayers are for donations to charities and nonprofit organizations. Your Committee further finds that eliminating the cap on itemized deductions will provide an additional incentive for persons to make donations to charitable and nonprofit organizations in the State.

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. 2544, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2544, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kim).

SCRep. 2527 (Majority) Ways and Means on S.B. No. 2868

The purpose and intent of this measure is to authorize the Department of Taxation to collect a fee of \$20 for each tax clearance application submitted by a taxpayer and a fee of \$5 for each certified copy of a tax clearance issued to a taxpayer.

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 Hawaii Alliance of Nonprofit Organizations and one concerned individual. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Department of Taxation provides tens of thousands of tax clearance documents to taxpayers each year at no charge. Each request via paper form for tax clearance requires a significant amount of time for Department staff to research and prepare. This measure would allow the Department to collect fees for processing taxpayers' requests for tax clearance documents to offset the staff time and resources that are used. Your Committee further finds that the collection of fees for providing documents is not unusual among state agencies. For example, the Department of Commerce and Consumer Affairs collects fees for providing copies of certain documents. However, your Committee recognizes that the imposition of these fees represents yet another cost for many businesses and nonprofit organizations, as well as individuals, in the State. Accordingly, your Committee finds that the Department should charge fees for a tax clearance only if taxpayers request a tax clearance using a paper form. Electronic filing of tax clearance requests should be available without charge to encourage this more efficient method of filing tax clearance requests.

Your Committee has amended this measure by:

- (1) Including the proviso that the Department of Taxation may charge fees for tax clearances and certified copies of tax clearances only if electronic versions of those documents are available to taxpayers online at no charge; 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. 2868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2868, 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 (Espero, Fukunaga, Tokuda).

SCRep. 2528 Ways and Means on S.B. No. 2948

The purpose and intent of this measure is to clarify that certificates of participation for the State's financing agreement program do not require legislative approval.

Your Committee received comments on this measure from the Director of Finance.

Your Committee finds that although current law does not require legislative approval prior to the issuance of a certificate of participation, the debt service for certificates of participation issued pursuant to chapter 37, Hawaii Revised Statutes, is subject to annual appropriation by the Legislature to avoid being considered a state debt. As written, the bill could result in the issuance of certificates of participation being considered debts under the state constitution, and thus subject to constitutional debt limits.

As a result, your Committee has amended the measure to clarify that, while a certificate of participation does not require legislative approval prior to being issued, it is subject to the limitation on financing agreements pursuant to section 37D-2(b)(1), Hawaii Revised Statutes, restricting, to available moneys, the amount payable under a financing agreement by an agency or the Department of Budget and Finance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2948, 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. 2529 Judiciary and Labor on S.B. No. 2502

The purpose and intent of this measure is to prohibit the use of certain lethal methods for the control of animals. Specifically, this measure:

- (1) Requires dogs or cats that are captured or killed in a snare or trap to be reported to a county animal control officer;
- (2) Establishes an animal cruelty offense for the use of steel-jawed leg-hold traps or the use of snares, conibear, and foot- or leg-hold traps in residential or other prohibited areas;
- (3) Establishes the offense as a misdemeanor; and
- (4) Provides exemptions for activities carried out by state and federal agencies.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Hawaiian Humane Society, the Maui Humane Society, the Nature Conservancy, Born Free USA, and one hundred private individuals. Testimony in opposition to this measure was submitted by one private individual. One private individual submitted comments.

Your Committee finds that this measure allows for the use of appropriate tools to control feral animals, such as pigs, goats, sheep, deer, and wild cattle, where there is a potential for these animals to damage natural resource areas. At the same time, this measure establishes reasonable additional protections for pet animals in residential areas where they are most likely to be inadvertently caught if certain animal control tools are employed.

Your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Department of Land and Natural Resources to additionally exempt activities carried out by authorized agents of state or federal agencies;

- (2) Inserting an effective date of July 1, 2050, to ensure 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. 2502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2502, 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. 2530 Judiciary and Labor on S.B. No. 3029

The purpose and intent of this measure is to make various housekeeping amendments to the Hawaii Revised Statutes and Session Laws of Hawaii to correct errors, omissions, or obsolete laws.

Your Committee received testimony in support of this measure from the Legislative Reference Bureau. The Real Estate Commission submitted comments.

Your Committee finds that the Legislative Reference Bureau is authorized to conduct a systematic and continuing study of the Hawaii Revised Statutes and Session Laws of Hawaii for the purposes of improving clarity in the laws by reducing the number and bulk and removing inconsistencies, redundancies, and repetitions. All of the amendments in this measure are intended to be technical in nature to correct errors, omissions, or obsolete laws. Any changes that may have a substantive effect are intended to provide further clarity and consistency.

Your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Real Estate Commission to ensure that the housekeeping amendments made to the condominium laws do not preclude any ongoing condominium disputes in mediation stemming from the now expired condominium dispute resolution pilot program from reaching a resolution;
- (2) Inserting an effective date of July 1, 2050, to ensure 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. 3029, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3029, 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. 2531 Economic Development and Technology on S.B. No. 2236

The purpose and intent of this measure is to clarify that the Information Technology Steering Committee shall consist of thirteen members, including the Chief Information Officer, to assist the Chief Information Officer in developing the State's information technology standards and policies. Specifically, the membership shall include four members to be selected by the Senate President, four members to be selected by the Speaker of the House of Representatives, and four members to be selected by the Chief Information Officer.

Your Committee received testimony in support of this measure from the Office of Information Management and Technology, Department of Commerce and Consumer Affairs, Department of Education, and Judiciary.

Your Committee finds that authorizing the Chief Information Officer to select four members of the Information Technology Steering Committee will ensure that the Committee has the breadth of skills, expertise, and experience necessary to assist the Chief Information Officer in addressing the priorities of the State's information technology goals and objectives.

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. 2236 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Solomon).

SCRep. 2532 (Joint) Economic Development and Technology and Judiciary and Labor on S.B. No. 2234

The purpose and intent of this measure is to support efforts to facilitate public access and reduce costs associated with the printing and duplication of paper copies of documents by:

- (1) Eliminating the requirement to post hard-copy notices of public meetings with the Lieutenant Governor's office;
- (2) Requiring all government agencies, boards, commissions, and committees to post electronic copies of their agendas, minutes, and related documents online; and
- (3) Encouraging state agencies to broadcast their proceedings online.

Your Committees received testimony in support of this measure from the Office of the Lieutenant Governor; Office of Information Management and Technology; Office of Information Practices; High Technology Development Corporation; Hawaii State Public Library System; Department of Planning and Permitting, City and County of Honolulu; and Neighborhood Commission Office, City and County of Honolulu. Your Committees received testimony in opposition to this measure from three members of the County

Council of Maui. Your Committees received comments on this measure from the Disability and Communication Access Board and one individual.

Your Committees find that this measure is one of several measures introduced this legislative session to facilitate public access while reducing costs associated with the printing and duplication of paper copies of public documents. Your Committees further find that the Chief Information Officer and the Office of Information Management and Technology are currently developing the statewide information technology strategic plan, which will modernize the State's information technology systems, procedures, and policies, and that any costs associated with the electronic access provisions in this measure are being addressed in S.B. No. 2233, S.D. 2, through collaboration among the Office of Information Management and Technology, the Hawaii State Public Library System, and affected agencies.

Your Committees have heard a number of concerns regarding issues of compliance with and enforcement of the provisions of this measure, as well as problems encountered by individuals who have disabilities or other hindrances that make it difficult to attend or follow the actions of some state boards and commissions. Your Committees believe these are legitimate concerns, and have sought guidance from the Office of the Lieutenant Governor, the Office of Information Practices, and the Office of Information Management and Technology to develop an appropriate means of enforcing compliance.

Your Committees have amended this measure accordingly, by:

- (1) Clarifying that the notice required by section 92-7, Hawaii Revised Statutes, is the only notice required for a board meeting that is subject to the Sunshine Law, to prevent conflicts with more general notice provisions;
- (2) Clarifying that the electronic notice shall be posted on the State of Hawaii's internet website or a county's internet website, rather than the Lieutenant Governor's or a county clerk's website, for consistency with the expected online location of the electronic calendars;
- (3) Authorizing a provisional filing of notice in the Office of the Lieutenant Governor or appropriate county clerk's office in the event of an interruption in online service;
- (4) Clarifying that the deadline for transmitting notice to persons on a board's mailing list is at least six calendar days before the meeting;
- (5) Requiring a notice to be rejected by the electronic calendar if a meeting notice is not posted at least six days before a meeting, and providing that a printout of the electronically time-stamped agenda shall be conclusive evidence of the agenda's filing date if the filing's timeliness is disputed;
- (6) Requiring, with respect to a meeting notice that is not timely filed online, that paper copies of a notice of cancellation of a meeting be posted in the board's office and, when feasible, at the meeting location;
- (7) Clarifying that the Attorney General, in the case of a state board, or the county counsel agency for each county in the case of a county board, shall concur that an emergency meeting based on an unanticipated event is necessary;
- (8) Deleting the requirement that minutes shall be posted online, "whether in draft or final form," as boards already must provide minutes within thirty days regardless of whether the board considers the minutes final;
- (9) Specifying that for state boards, posted minutes shall include only those additional written materials distributed to a board at the meeting that would be public under the Uniform Information Practices Act;
- (10) Inserting an effective date of July 1, 2050, to ensure further discussion, and July 1, 2012, for section 4; 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 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. 2234, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2234, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 2 (Gabbard, Solomon).

SCRep. 2533 (Joint) Health and Commerce and Consumer Protection on S.B. No. 2436

The purpose and intent of this measure is to require the Insurance Commissioner to develop a uniform prior authorization form for prescription drugs no later than July 1, 2013, to be used by prescribers and health care insurance providers beginning January 1, 2014.

Your Committees received testimony in support of this measure from the Hawaii State Center for Nursing, Faith Action for Community Equity, Hawaii Medical Association, National Multiple Sclerosis Society, Epilepsy Foundation of Hawaii, CVS Caremark, Hawaii Academy of Physician Assistants, American Cancer Society, HMSA, University of Hawaii, and two individuals. Your Committees received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs, HMSA, and AlohaCare. Your Committees received comments on this measure from Kaiser Permanente.

Your Committees find that testimony submitted by the Insurance Commissioner indicates that the Department of Commerce and Consumer Affairs does not have the medical expertise necessary to create and implement the uniform prior authorization form for prescription drugs. Your Committees note that the Department of Human Services is actively making effective strides toward achieving purposes similar to this measure.

Your Committees have amended this measure accordingly by:

- (1) Requiring the Director of Human Services, rather than the Insurance Commissioner, to develop the uniform prior authorization form for prescription drugs;
- (2) Changing the definition of “dispenser” to mean “a practitioner who dispenses”;
- (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 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. 2436, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2436, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Shimabukuro, Wakai).

SCRep. 2534 Health on S.B. No. 417

The purpose and intent of this measure is to change the membership of the Hawaii Health Systems Corporation’s corporation board by:

- (1) Adding a member who alternately represents the eastern and western regions of the county of Hawaii;
- (2) Replacing the regional chief executive officers with community members from each respective region; and
- (3) Removing the at-large member selected by the Governor.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation and one individual.

Section 323F-3.5, Hawaii Revised Statutes, requires that the term for a member of the regional system board of directors shall be three years. Section 26-34, Hawaii Revised Statutes, prohibits any board member from serving for more than two consecutive terms or for more than eight years. Consequently, the maximum number of years that a regional system board member may serve is limited to six years. Your Committee finds that the existing staggered terms of corporation board members result in half the board leaving one year and the other half leaving the next. Your Committee further finds that learning the intricacies of the health care system takes time and other resources and that more flexibility in the length of a member’s term would allow knowledgeable individuals to remain on the board for a longer period to sufficiently transfer their knowledge base to other members and result in more effective use of a staggered membership.

Your Committee has amended this measure by:

- (1) Changing the regional system board membership term from three years to a membership term between two and five years, with the specific term length to be established by a two-thirds affirmative vote of the existing regional system board members;
- (2) Amending the purpose section to reflect the amended purpose 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 417, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 417, S.D. 2, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Green, Slom).

SCRep. 2535 (Joint) Health and Ways and Means on S.B. No. 416

The purpose and intent of this measure is to authorize the Hawaii Health Systems Corporation to bring the Hawaii Medical Center East facility under its governance through formal affiliation, acquisition, or both, and to appropriate the necessary funding.

Your Committees received testimony in support of this measure from Hawaii Health Systems Corporation and one individual.

Your Committees find that this measure will address the shortage of long-term care beds, the resulting burden on acute care facilities, and quality of care issues for wait-listed patients.

As affirmed by the records of votes of the members of your Committees on Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 416, S.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 10, Ayes with Reservations (Kidani, Slom). Noes, none. Excused, 8 (English, Fukunaga, Green, Kahele, Kouchi, Ryan, Shimabukuro, Tokuda).

SCRep. 2536 Commerce and Consumer Protection on S.B. No. 2295

The purpose and intent of this measure is to allow members of an association of apartment owners to have electronic access to an association membership list and contact information for vendees under an agreement of sale.

Prior to the hearing on this measure, your Committee made available for public review a proposed S.D. 1 of this measure. The proposed S.D. 1 deleted the contents of the measure and inserted provisions that require assessments for health care services or services relating to personal care that are offered or provided to unit owners at a condominium licensed as an assisted living facility to be

assessed only against the units occupied by persons who utilize these services, and not be included as part of the common expenses of a condominium.

Your Committee received testimony in support of the proposed S.D. 1 from three individuals. Your Committee received comments on the proposed S.D. 1 from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that as the State's population ages, many senior citizens will explore their options for aging in place. Existing condominiums may consider providing assisted living services, including health care services or personal care services, to their unit owners or residents so that these individuals may age in place. A condominium licensed as an assisted living facility may offer services or invite vendors to provide services for its aging residents. However, condominium owners have expressed concern because the costs for health care services or services related to personal care are included in a condominium's maintenance fees. These fees are then allocated to all owners, not just the owners who have contracted for these services.

Your Committee concludes that it is not appropriate to require all unit owners in a condominium to pay a share of expenses related to the operation of an assisted living facility in a condominium project, and that these expenses should be assessed against a unit owner only when a unit owner or resident of a unit owner elects to utilize such services.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Clarifying that any and all assessments for health care services or services relating to personal care that are offered or provided to unit owners or residents of unit owners at a condominium licensed as an assisted living facility are to be assessed against the units occupied by persons who utilize these services;
- (2) Amending the purpose section of this measure for clarity; 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. 2295, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2295, 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, Taniguchi, Slom).

SCRep. 2537 Commerce and Consumer Protection on S.B. No. 2395

The purpose and intent of this measure is to require professional and vocational licensing authorities to allow applicants to demonstrate competency in lieu of work experience and establish procedures to expedite the issuance of licenses, certifications, or permits to military spouses.

Your Committee received testimony in support of this measure from the United States Department of Defense State Liaison Office; The Chamber of Commerce of Hawaii; Military Officers Association of America, Hawaii Chapter; and one individual. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs; Niwao & Roberts, CPAs; and Hawaii Association of Professional Nurses.

Your Committee finds that military families are a unique population who move across state lines and move more frequently than their civilian counterparts. As a result of frequent moves, military spouses who obtain professional degrees or licenses may not remain in one state long enough to progress in their occupations. A lengthy license evaluation process with reviewing and processing delays may leave a military spouse little time to search for employment, placing them at an unfair disadvantage. These delays in employment can cause significant hardship on military families because of a loss of needed income, and may also deprive the State from receiving valuable service and expertise during the military spouse's temporary domicile.

Your Committee further finds that military spouse employment is an important retention and readiness issue, with a majority of married service members reporting that their spouses' ability to maintain a career impacts their decision to remain in the military. The First Lady of the United States has addressed this issue as well, urging all states to pass legislation that will remove employment barriers and support the unique needs of military families. Your Committee concludes that Hawaii should be a part of this nationwide effort to assist service members and their spouses.

Your Committee has heard the concerns that every licensing authority in the State has its own statutes and rules, with specific requirements for licensure. However, your Committee notes that this measure is not intended to require state licensing authorities to accept licensure by endorsement or licensure by reciprocity if a nonresident military spouse is not qualified. Rather, this measure is intended to support military families by recognizing nonresident military spouses who are already licensed in another state under licensure requirements that are equivalent to or exceed the requirements mandated by the State for obtaining certain licenses.

Your Committee has amended this measure by:

- (1) Clarifying that the licensure by endorsement, licensure by reciprocity, and temporary license allowances of this measure apply to nonresident military spouses;
- (2) Deleting language that would have required every licensing authority to establish, by rule, procedures to expedite the issuance of a license, certification, or permit to a military spouse, and a method to issue temporary permits;
- (3) Establishing procedures by which a nonresident military spouse shall receive a license pursuant to licensure by endorsement or licensure by reciprocity from the licensing authority in the State;

- (4) Requiring the licensing authority to issue a nonresident military spouse a temporary license in certain circumstances and only for those professions with standards that are substantially equivalent to or exceed those established by the licensing authority in this State;
- (5) Requiring the licensing authority to expedite consideration of the application and issuance of a license by endorsement, license by reciprocity, or temporary license to a nonresident military spouse; and
- (6) 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. 2395, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2395, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Taniguchi, Slom).

SCRep. 2538 Commerce and Consumer Protection on S.B. No. 2421

The purpose and intent of this measure is to establish a peer review process for public accounting firms that engage in attest work.

Your Committee received testimony in support of this measure from Niwao & Roberts, CPAs, and six individuals. Your Committee received testimony in opposition to this measure from the Board of Public Accountancy, Hawaii Society of Public Accountants Board of Directors, and four individuals.

Your Committee finds that the amendments proposed by this measure require all public accounting firms to undergo a peer review on the firm's attest work every three years.

Your Committee has heard the concerns that certain provisions of this measure may make it difficult for peer reviewers and public accounting firms to comply with the requirements of the measure and the American Institute of Certified Public Accountants standards for peer reviews. Your Committee has also heard the concerns that mandatory peer review enacted pursuant to Act 66, Session Laws of Hawaii 2010, has not been enforced because of a lack of administrative rules.

Your Committee acknowledges the efforts of the Investigative Committee on Peer Review to produce a draft of administrative rules. However, your Committee believes it is important for this measure to move forward so that discussions on the peer review process may continue.

Your Committee has amended this measure by:

- (1) Clarifying the requirements for a peer review compliance reporting form, including when a contemporaneous supplemental Hawaii peer review report must be included with the peer review compliance reporting form;
- (2) Clarifying procedures to supplement the peer review report;
- (3) Authorizing the Board of Public Accountancy to impose restrictions on attest work based on findings or conclusions of a firm's peer review;
- (4) Amending the process of appealing a rating on a peer review compliance reporting form that may result in a restriction on a firm's or an individual's ability to perform attest work;
- (5) Amending the Board of Public Accountancy's oversight of sponsoring organizations;
- (6) Requiring the Board of Public Accountancy to retain a peer review oversight committee and specifying the purpose, duties, and composition of the peer review oversight committee;
- (7) Amending the requirements for a peer reviewer for a Hawaii supplemental peer review;
- (8) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this amended measure represents a collaborative effort amongst several interested parties. Your Committee encourages all interested stakeholders to work to ensure that progress on this measure continues.

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. 2421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2421, 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. 2539 Judiciary and Labor on S.B. No. 223

The purpose and intent of this measure is to:

- (1) Allow a temporary restraining order to remain in effect for ninety days or until service of a protective order, whichever occurs first; and
- (2) Amend the law to provide that protective orders orally stated by the court on the record shall be effective upon service on the respondent.

Prior to the hearing of this measure, your Committee posted a proposed S.D. 1 for review and comment. The proposed S.D. 1 deletes the contents of the measure and inserts language that amends section 709-906, Hawaii Revised Statutes, to require a police officer to order a person whom the officer has reasonable grounds to believe has physically abused or harmed a family or household member, to have no contact with the family or household member for a twenty-four hour period, or longer if the incident occurs on the weekend, when the police officer has reasonable grounds to believe that there is probable danger of further physical abuse or harm to the family or household member.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii State Commission on the Status of Women, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Domestic Violence Action Center, the YWCA of Kauai Family Violence Shelter, the Hawaii State Coalition Against Domestic Violence, and one private individual. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that domestic violence is a public health epidemic and this measure assists in addressing this epidemic by requiring the uniform implementation and issuance of no contact orders. Your Committee further finds that a twenty-four hour no contact period is beneficial to domestic violence victims because it creates a safe period in which the victim may seek refuge in a shelter or use other safety options. A no contact order has the same effect as a temporary restraining order, but victims may use a no contact order when the courts are closed then follow up their request for a temporary restraining order with a no contact order issued by the police as justification.

Your Committee has amended this measure by adopting the proposed S.D. 1.

As affirmed by the record of votes of the members 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. 223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 223, 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. 2540 Judiciary and Labor on S.B. No. 212

The purpose and intent of this measure is to require the apportioning of the state House of Representatives among multi-member house districts of not more than three members that conform to the state Senate district boundaries, where practicable.

Prior to the hearing on this measure, your Committee posted a proposed S.D. 1 for review and comments. This proposed measure:

- (1) Defines "permanent resident" for purposes of legislative reapportionment as any individual counted as a usual resident of the State in the last preceding United States census; and
- (2) Requires reapportionment of each house of the Legislature to be done using data on the total number of permanent residents in the State.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii State Chapter of the Military Officers Association of America, and two private individuals. Testimony in opposition to the proposed S.D. 1 was submitted by one private individual. Common Cause Hawaii and the League of Women Voters of Hawaii submitted comments.

Your Committee finds that the Constitution of the State of Hawaii requires the Hawaii Reapportionment Commission to allocate the total number of members of each house of the state Legislature being reapportioned among the four basic island units by using the total number of permanent residents in each of the basic island units. However, "permanent resident" is not defined and has caused the Commission difficulty in achieving an acceptable reapportionment plan. By defining this term, this measure ensures the accuracy of the enumeration excluding nonresidents.

However, your Committee has concerns regarding the use of federal population data in drafting a reapportionment plan, particularly whether the definition of permanent resident may conflict with or affect the use of the term in the State Constitution and the various provisions of the Hawaii Revised Statutes. Your Committee encourages further discussion and research on this issue and a determination of the appropriateness of using federal census data for reapportionment purposes.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 1 and further amending this measure by inserting an effective date of July 1, 2050, to ensure 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. 212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 212, 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. 2541 (Joint/Majority) Economic Development and Technology and Ways and Means on S.B. No. 2893

The purpose and intent of this measure is to:

- (1) Require the Department of Business, Economic Development, and Tourism to convene a ten-member task force to perform a comprehensive analysis of the costs and benefits of various types of gambling to enable legislators to make informed decisions regarding gambling;
- (2) Require the task force to report its findings and recommendations to the Governor and the Legislature no later than October 1, 2012; and
- (3) Dissolve the task force on June 30, 2013.

Prior to the hearing, your Committees made available to the public a proposed S.D. 1, which:

- (1) Established a nine-member gambling commission, rather than a task force, with three members each to be selected by the Governor, Senate President, and Speaker of the House; and
- (2) Appropriated an unspecified amount for fiscal year 2012-2013 for the gambling commission to perform the analysis.

Your Committees received testimony in support of this measure from Radcliffe & Associates, LLC, and two individuals. Your Committees received testimony in opposition to this measure from the Mayor, City and County of Honolulu; Honolulu Police Department; League of Women Voters of Hawaii; Aupuni O Hawaii; Hawaii Coalition Against Legalized Gambling (HICALG); Hawaii County HICALG; Hawaii Family Forum; Hawaii Appleseed Center for Law and Economic Justice; and four individuals. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism and Spectrum Gaming Group.

Your Committees have heard a number of concerns raised regarding this measure, including references to numerous past socio-economic studies conducted on both sides of the issue of gambling, the anticipated cost of the proposed analysis, the perceived focus of the analysis on the financial impacts of gambling in Hawaii, and the lack of specificity regarding the selection of gambling commission members, among others.

Your Committees understand these concerns, but find that a serious, independent study of the potential impacts of gambling in Hawaii may indeed be beneficial. In addition to the broader, generic issues covered in many of the studies on gambling, Hawaii has several unique factors to consider, including the impacts for the neighbor islands and how gambling may affect Native Hawaiian concerns. Gambling legislation has been introduced in the Legislature every year for many years, and conflicting and partisan information regarding the impacts of the proposed legislation hampers the Legislature's ability to determine the merits of these measures.

Your Committees agree that addressing the concerns raised by many of the testifiers would strengthen the measure, and have amended this measure accordingly by adopting the proposed S.D. 1 and further amending this measure by:

- (1) Expanding the scope of the independent analysis the gambling commission is to undertake to include:
 - (A) The social impacts of gambling on individuals, families, and communities;
 - (B) Infrastructure impacts, including increased traffic and possible disruption of neighborhoods where casinos might be located;
 - (C) The availability of an adequate labor force, and educational and training opportunities;
 - (D) How gambling might complement or detract from existing businesses, tourism activities, attractions, and Hawaii's unique culture;
 - (E) The role of the public sector, including state and county executive and legislative branches, regarding any legalization of gambling, the related establishment of a regulatory body or bodies, and any additional public policy requirements;
 - (F) The role of the private sector, including but not limited to the casino industry and other affiliated business interests; and
 - (G) Other information that may be deemed appropriate;
- (2) Requiring gambling commission members to be selected based on their educational backgrounds, business and financial expertise, and community involvement, and comprise a balanced representation of members in support of and members opposed to gambling in Hawaii;
- (3) Requiring the gambling commission to be administratively attached to the Office of the Auditor;
- (4) Requiring the gambling commission to ensure adequate opportunities for public comment on the results of the analysis, and to submit to the Governor and the Legislature a preliminary report on the status of the analysis no later than twenty days prior to the convening of the Regular Session of 2013, and a final report on the analysis and its findings and recommendations no later than twenty days prior to the convening of the Regular Session of 2014;
- (5) Dissolving the gambling commission on December 31, 2013;
- (6) Authorizing the appropriation to be expended for contracts for services for the analysis;
- (7) Inserting an effective date of July 1, 2050, to ensure further discussion; 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 Economic Development and Technology and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2893, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2893, 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, 4 (Chun Oakland, English, Espero, Tokuda).

SCRep. 2542 (Joint/Majority) Judiciary and Labor and Ways and Means on S.B. No. 2057

The purpose and intent of this measure is to clarify Act 85, Session Laws of Hawaii 2009 (Act 85), as amended by Act 57, Session Laws of Hawaii 2011 (Act 57), with regard to salary rates for executive, judicial, and legislative officials to conform to the effective dates in the recommendations of the 2006 Salary Commission.

Your Committees received testimony in support of this measure from the Judiciary and the Hawaii State Bar Association.

Your Committees find that Act 85, as amended, establishes salary reductions for executive, judicial, and legislative officials to extend through December 31, 2013. A new Salary Commission will convene in November of 2012 to develop salary recommendations for consideration by the Legislature convening for the Regular Session of 2013. Based on past practice, salary recommendations will presumably include salary rates for executive and judicial officials effective July 1, 2013, and for the next five fiscal years.

Your Committees further find that Act 85, as amended, provides that effective January 1, 2014, executive and judicial officials shall be paid at the rate effective July 1, 2009, while legislators shall be compensated at the rate for January 1, 2014. This measure allows the new Salary Commission to make recommendations on salaries as contemplated in Article XVI, Section 3.5, of the Hawaii State Constitution, for all salaried officials.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to ensure further discussion.

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. 2057, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2057, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 14. Noes, 1 (Slom). Excused, 3 (Dela Cruz, Fukunaga, Ihara).

SCRep. 2543 Ways and Means on S.B. No. 2227

The purpose and intent of this measure is to appropriate moneys to community health centers that provide direct healthcare for uninsured persons, including persons who will be considered ineligible for Medicaid QUEST benefits pending proposed changes to eligibility requirement changes that will take effect in April 2012.

Written comments in support of this measure were submitted by Kalihi-Palama Health Center and one private citizen.

Your Committee finds that this measure's appropriation to community health centers will allow for continued access to healthcare for uninsured individuals who may no longer meet the QUEST eligibility requirements and would be without health 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 is in accord with the intent and purpose of S.B. No. 2227 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2544 Ways and Means on S.B. No. 2281

The purpose and intent of this measure is to authorize agencies to bypass the preparation of an environmental assessment and proceed directly to the preparation of an environmental impact statement, or allow an applicant to do the same, if the agency determines that an environmental impact statement is likely to be required for a proposed action.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and BIA Hawaii. Your Committee received written comments in opposition to this measure from the Land Use Research Foundation of Hawaii and one individual.

Your Committee finds that allowing agencies or applicants to bypass the preparation of an environmental assessment in certain situations will improve the efficiency of the environmental review process and expedite the completion of those proposed actions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2281, 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. 2545 Ways and Means on S.B. No. 2740

The purpose and intent of this measure is to assist residents in obtaining affordable housing by increasing the Hula Mae multifamily revenue bond authorization ceiling from \$500 million to \$750 million.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; the Hawaii Housing Finance and Development Corporation; the Office of Hawaiian Affairs; and the Hawaii Association of Realtors.

Your Committee finds that the Hula Mae multifamily program has been a successful financing tool to support affordable housing and that additional bond authority is necessary to ensure its continued use.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2740, 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 (Fukunaga).

SCRep. 2546 (Majority) Ways and Means on S.B. No. 2824

The purpose and intent of this measure is to make dietary supplement liquid containers subject to the deposit beverage container program.

The measure accomplishes this purpose by deleting dietary supplement liquids from the list of liquids excluded from the definition of "deposit beverage".

Written comments in support of this measure were submitted by Aloha Shell Service and eleven private citizens.

Your Committee finds that, presently, there are energy drinks on the market that also qualify as dietary supplements. Deleting the "dietary supplement" exemption will result in more consistent eligibility determinations regarding the deposit beverage container program. Your Committee also finds that including dietary supplement and energy beverage containers in the deposit beverage container program will provide increased revenue to the deposit beverage container deposit 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 S.B. No. 2824 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Kidani). Noes, 1 (Slom). Excused, none.

SCRep. 2547 Ways and Means on S.B. No. 2857

The purpose and intent of this measure is to authorize the Department of Budget and Finance to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners.

Your Committee finds that reservoirs and dams are essential to the State's water resource infrastructure, especially for farms and ranches in times of little or no rainfall. This measure will assist dam and reservoir owners by providing the economic means necessary to bring their facilities up to current 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. 2857, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Kidani, Slom). Noes, none. Excused, 1 (Fukunaga).

SCRep. 2548 Ways and Means on S.B. No. 2778

The purpose and intent of this measure is to prevent child obesity.

Specifically, the measure appropriates funds to:

- (1) Collect and analyze early childhood obesity data pertinent to Hawaii, to identify children at risk;
- (2) Increase awareness of the health implications of early childhood obesity;
- (3) Promote best practices through community-based initiatives to improve healthy life choices; and
- (4) Provide support, including travel reimbursements, for a task force to develop and recommend legislation related to the prevention of childhood obesity.

Written comments in support of this measure were submitted by the Office of Hawaiian Affairs, the Hawaii Association for Education of Young Children, and the Papa Ola Lokahi-Native Hawaiian Health Board.

Written comments were also submitted by the American Heart Association.

Your Committee finds that obesity is a common condition of chronic diseases, and data suggests that Native Hawaiians and other Pacific Islanders are at higher risk of obesity and obesity-attributable health complications.

Your Committee also finds that this measure promotes the prevention of obesity from an early age and raises awareness of its adverse and long-lasting health effects.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2778, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

SCRep. 2549 (Majority) Ways and Means on S.B. No. 2747

The purpose and intent of this measure is to clarify the existing electric vehicle parking space law to require owners and managers of public accommodations with at least one hundred parking stalls to designate some of those stalls as exclusively for electric vehicles and to install an electric vehicle charging station for at least one of those stalls.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development and Tourism; Retail Merchants of Hawaii; and one individual. Your Committee received written comments in opposition to this measure from the Department of Design and Construction, City and County of Honolulu. The Office of the Mayor, City and County of Honolulu, submitted written comments on this measure.

Your Committee finds that promoting electric vehicles by requiring public accommodations to designate parking stalls as exclusively for electric vehicles is an integral part of Hawaii's clean energy future, including goals of reducing dependence on foreign fuel.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2747, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12, Ayes with Reservations (Kidani, Kim). Noes, 1 (Slom). Excused, 1 (Fukunaga).

SCRep. 2550 Ways and Means on S.B. No. 2746

The purpose and intent of this measure is to encourage the use of electric vehicles by codifying the provisions of Act 290, Session Laws of Hawaii 1997, which exempt electric vehicles from most state and county parking meter fees and high occupancy vehicle lane restrictions, as new sections in chapter 286, Hawaii Revised Statutes.

Written comments in support of this measure were submitted by the Department of Accounting and General Services; Department of Business, Economic Development, and Tourism; and High Technology Development Corporation.

Your Committee finds that the provisions of Act 290, Session Laws of Hawaii 1997, support the development and widespread consumer acceptance of electric vehicles in Hawaii. Your Committee further finds that codifying these exemptions in chapter 286, Hawaii Revised Statutes, will increase public awareness of the law and further promote the use of electric vehicles 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. 2746, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Fukunaga).

SCRep. 2551 Ways and Means on S.B. No. 2460

The purpose and intent of this measure is to:

- (1) Allow moneys in the pest inspection, quarantine, and eradication fund to be expended for the electronic importer manifest program; and
- (2) Make an appropriation in an unspecified amount to the Department of Agriculture from the pest inspection, quarantine, and eradication fund to implement the electronic importer manifest program.

Written comments in support of this measure were submitted by the Department of Agriculture and The Nature Conservancy of Hawaii.

Your Committee find that full implementation of the electronic importer manifest program is important because it provides for the transfer of data from an importer to the plant quarantine inspector, and therefore allows for more efficient movement of selected commodities through the port.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2460 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2552 (Majority) Ways and Means on S.B. No. 2422

The purpose and intent of this measure is to impose an excise tax on tobacco products, other than large cigars, in order to decrease the prevalence of tobacco consumption.

Written comments in support of this measure were submitted by the Coalition for a Tobacco-Free Hawaii and the Papa Ola Lokahi-Native Hawaiian Health Board. Written comments were submitted by the Tax Foundation of Hawaii and the American Heart Association.

Your Committee finds that tobacco use continues to be a problem in the State. Tobacco products are addictive and inherently dangerous to health, and while cigarette usage among Hawaii's youth has decreased, smokeless tobacco use has not.

Your Committee believes that increasing the State excise tax on tobacco products will facilitate a reduction in tobacco use, especially among adolescents and young adults.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2422, 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. 2553 Ways and Means on S.B. No. 2121

The purpose and intent of this measure is to ensure that people who need mental health treatment get the treatment they need while ensuring that their rights are protected.

Specifically, this measure:

- (1) Permits any interested person with a clear and abiding interest in the well-being of the individual to file a written petition for emergency admission for commitment to a psychiatric facility;

- (2) Requires an independent evaluation by a psychiatrist or psychologist employed at the licensed psychiatric facility where the patient is admitted for involuntary hospitalization when the licensed physician, physician assistant, or psychologist who directed the admittance is not an employee or an agent of the licensed psychiatric facility;
- (3) Removes the threshold requirement that a person be “imminently dangerous” and replaces it with “dangerous” when a law enforcement officer is making a determination on whether emergency mental health workers should be contacted; and
- (4) Provides that at any stage of the proceedings, the court may appoint a guardian ad litem for the patient.

Written comments in support of this measure were submitted by Kahi Mohala Behavioral Health; and one private citizen. Written comments in opposition of this measure were submitted by the American Civil Liberties Union of Hawaii. Written comments were submitted by the Hawaii Disability Rights Center.

Your Committee finds that this measure strikes the appropriate balance between providing mental health services to people who need them and protecting the patient’s rights in the process.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2121, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14, Ayes with Reservations (English, Kidani, Ryan, Slom). Noes, none. Excused, none.

SCRep. 2554 Ways and Means on S.B. No. 2874

The purpose and intent of this measure is to provide the Department of Transportation with greater flexibility in generating revenue at airports through the disposition or the granting of use and occupancy of airport lands under its jurisdiction.

More specifically, the measure:

- (1) Deletes the requirement that any arrangement between the Department of Transportation and a tenant contain a clause that reserves to the Department, the right to repossess the land occupied by the tenant upon thirty days notice to the tenant by the Department; and
- (2) Expands the definition of “airport-related” to include an activity that generates revenue for the airport system.

Your Committee finds that both state law and federal regulations require the State’s airport system to be economically self-supporting. By increasing the opportunities for revenue generation at airports from non-aeronautical users, this measure will contribute to the maintenance of a healthy and self-supporting airport system.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2874, 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 (Fukunaga).

SCRep. 2555 Commerce and Consumer Protection on S.B. No. 2394

The purpose and intent of this measure is to authorize the Director of Commerce and Consumer Affairs to enforce certain federal laws to protect military members and their families from abusive lending practices.

Your Committee received testimony in support of this measure from the Office of Consumer Protection, The Chamber of Commerce of Hawaii, and one individual.

Your Committee finds that members of the armed forces may be particularly vulnerable to abusive lending practices. The United States Department of Defense has declared these abusive lending practices a serious quality of life concern and has requested assistance from states to enforce certain consumer protection regulations for service members and their families.

Although Hawaii’s payday lending law, codified as chapter 480F, Hawaii Revised Statutes, affords significant protections to consumers, certain federal laws and regulations offer protections specific to service members and their families that are not found in chapter 480F. This measure provides the Office of Consumer Protection with the authority to enforce these additional federal consumer protections.

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. 2394, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Taniguchi, Slom).

SCRep. 2556 (Joint) Water, Land, and Housing and Energy and Environment on S.B. No. 2670

The purpose and intent of this measure is to require the Board of Land and Natural Resources to seek input from existing lessees or public land during the Board’s consideration of a renewable energy producer’s proposal and whether to lease that land to the renewable energy producer.

Your Committees received testimony in support of this measure from the Hawaii Cattlemen’s Council, Molokai Farm Bureau, and five individuals. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees find that this measure stems from actions by the Board of Land and Natural Resources in November 2008 where there was a proposal for a direct lease to be awarded to a bio-fuels company for 37,000 acres of state lands that had been leased to several ranchers at the time. Those tenants were never notified of the proceedings.

Because of the demise of many segments of Hawaii's livestock industry, it is important to work with existing producers to ensure the industry's sustainability. This measure would encourage state agencies and leaseholders to work together to allow renewable energy projects to co-exist with current leaseholders' industries. For example, compromises can be negotiated to improve the infrastructure of the land to accommodate both projects' needs. As another alternative is for a displaced tenant's losses to be offset where it appears equitable and feasible, as a condition of taking back a portion of the lease. Losing control of large tracts of land that are mostly leased from the State will only contribute to the already fragile state of the livestock industry.

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. 2670 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (English, Fukunaga, Green, Tokuda).

SCRep. 2557 Water, Land, and Housing on S.B. No. 1312

The purpose and intent of this measure is to authorize the Chairperson of the Natural Area Reserves System (NARS) Commission to designate a member of the NARS Commission to serve as the Chairperson's representative on the Legacy Land Conservation Commission and allow the members of the Legacy Land Conservation Commission to elect their own chairperson.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and The Nature Conservancy. Testimony in opposition to this measure was received from one individual.

Your Committee finds that members of state boards and commissions receive no compensation for their time commitments to serve the State. These commitments can sometimes overburden the members who are basically serving in a volunteer position. This time can also divert their attention away from their required duties for the State. This measure alleviates the burden of the Chairperson of the NARS Commission in serving on these commissions but maintains representation of the interests and expertise of the NARS Commission on the Legacy Land Conservation Commission.

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. 1312 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Solomon, Tokuda, Slom).

SCRep. 2558 (Majority) Judiciary and Labor on S.B. No. 2571

The purpose and intent of this measure is to:

- (1) Amend the various statutory provisions to reconfirm and clarify the original intent of Act 1, Session Laws of Hawaii 2011, that civil union partners shall have all the same rights, benefits, protections, and responsibilities under law as are granted to those who contract, obtain a license, and are solemnized pursuant to chapter 572, Hawaii Revised Statutes;
- (2) Establish a transition period for two individuals who terminate their reciprocal beneficiary relationship and enter into a civil union to ensure that both events occur substantially concurrently and that all rights, benefits, protections, and responsibilities under the reciprocal beneficiary relationship continue upon entering into the civil union;
- (3) Make various housekeeping amendments to statutes to assist with the implementation and interpretation of Act 1, including the laws relating to public employee benefits, property held as tenants by the entirety, parent-child relationships, and adoption; and
- (4) Make it retroactive to January 1, 2012.

Prior to the hearing on this measure, your Committee posted a proposed S.D. 1 for review and comments. This proposed measure makes further amendments to clarify and reconfirm the original intent of Act 1, Session Laws of Hawaii 2011, to:

- (1) Delete language that provided continuity of rights and benefits for couples who terminate their reciprocal beneficiary relationship and enter into a civil union substantially concurrently;
- (2) Delete the various housekeeping amendments to the laws relating to public employee benefits, employment practices, Land Court registration, real property transactions, and marriage contracts;
- (3) Clarify that any gender-specific terms referring to spouses or previous spouses shall be construed to include civil union partners to prevent unintended consequences that may occur as a result of amending all such references in the Hawaii Revised Statutes;
- (4) Clarify the provisions relating to a union performed in other jurisdictions; and
- (5) Amend the various statutory provisions relating to a parent-child relationship with respect to a child born or adopted prior to, during, or shortly after the termination of a civil union.

Your Committee received testimony in support of the proposed S.D. 1 from the LGBT Rights Network, Equality Hawaii, and three private individuals. Testimony in opposition to the original measure was submitted by the Hawaii Family Forum. Your Committee received comments on this proposed S.D. 1 from the Hawaii Civil Rights Commission, the Hawaii Catholic Conference, and one private individual.

Your Committee finds that Act 1, Session Laws of Hawaii 2011, established the status of civil unions in this State, which granted eligible couples all the same rights, benefits, protections, and responsibilities under law, whether derived from statutes, administrative rules, court decisions, the common law, or any other source of civil law, as are granted to those who contract, obtain a license, and are solemnized pursuant to chapter 572, Hawaii Revised Statutes. Your Committee recognizes that a collection of rights, benefits, and obligations applicable to married couples and families are woven into state law and through Act 1, the Legislature intended that these rights and benefits be applied identically to civil union partners. This measure reconfirms and clarifies the original intent of Act 1, that civil union partners shall have all the same rights, benefits, protections, and responsibilities under law as are granted to those who contract, obtain a license, and are solemnized pursuant to chapter 572, Hawaii Revised Statutes.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending this measure by:

- (1) Adding a new section to chapter 509, Hawaii Revised Statutes, to preserve a couple's tenancy by the entirety when the couple moves from one qualifying legal relationship to another, either concurrently or within ninety days;
- (2) Inserting language that makes certain rights, benefits, protections, or responsibilities of individuals created by a reciprocal beneficiary relationship accrue as of the start date of the reciprocal beneficiary relationship if the individuals terminate their reciprocal beneficiary relationship and enter into a civil union either simultaneously or ninety days immediately preceding their entry into a civil union;
- (3) Inserting a provision that restores continuity in reciprocal beneficiary rights and benefits for couples who terminated their reciprocal beneficiary relationships after November 1, 2011, but before the effective date of this measure and entered or enter into a civil union within ninety days after termination of their reciprocal beneficiary relationship;
- (4) Adding language that allows a reciprocal beneficiary couple who formed a legal union in another jurisdiction before the effective date of this measure that is substantially equivalent to a civil union under chapter 572B, Hawaii Revised Statutes, to voluntarily terminate their reciprocal beneficiary status before the legal union will be mandatorily recognized as a civil union in this State no later than one year after this measure becomes effective; 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. 2571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2571, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Gabbard). Excused, 1 (Slom).

SCRep. 2559 Judiciary and Labor on S.B. No. 2494

The purpose and intent of this measure is to require the licensing of breeders to ensure that every dog under a breeder's care is provided with adequate care, and to prohibit the sale of unsterilized cats and unsterilized dogs to address the irresponsible and indiscriminate sale of cats and dogs.

Prior to the hearing on this measure, your Committee posted a proposed S.D. 1 for review and comments. The proposed S.D. 1 deletes the contents of the measure and inserts language to:

- (1) Establish a standard of care for dogs to ensure proper treatment of dogs and the dogs' offspring by:
 - (A) Prohibiting the ownership or custody of more than thirty dogs over the age of one year with intact sexual organs, at any time;
 - (B) Requiring owners of ten or more dogs over the age of four months with intact sexual organs to meet minimum standards of care to ensure the proper treatment and care of the dogs and the dogs' offspring;
 - (C) Requiring owners of ten or more dogs over the age of four months with intact sexual organs to maintain specific written records of each dog for a specified period;
 - (D) Prohibiting certain types of dogs to be placed in the same enclosure; and
 - (E) Establishing penalties; and
- (2) Ensure every dog under a dog breeder's care is provided a minimum standard of care by:
 - (A) Requiring the licensing of dog breeders;
 - (B) Authorizing each county the flexibility to assess the county's own situation, and determine the need for and develop appropriate rules for housing and treatment of dogs by dog breeders, if necessary;
 - (C) Requiring each county or its contracted local humane society to assess appropriate license fees for dog breeders, and to pursue civil penalties for noncompliance; and
 - (D) Authorizing a county agent or its contracted designees to inspect a dog breeder licensee's premises unannounced and during regular business hours.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of the Prosecuting Attorney of the City and County of Honolulu, Best Friends Animal Society, and seven private individuals. Testimony in opposition to the proposed S.D. 1 was submitted by the American Kennel Club, the Hawaiian Kennel Club, Terriers in Paradise-Hawaii, and fifty-three private individuals. Your Committee received comments on the proposed S.D. 1 from the Hawaiian Humane Society and four private individuals.

Your Committee finds that profit-driven breeding is prevalent in Hawaii. Recent research conducted by the Hawaiian Humane Society reveals that during a two-week period in November on Oahu, over three hundred sixty puppies were available for sale. This number projected over a one-year period is approximately \$9,400,000 in revenues from the sale of dogs. Unfortunately, existing state and federal laws regarding the care and husbandry of dogs inadequately regulate large-scale breeding facilities in Hawaii. This measure ensures that dogs at large-scale breeding facilities receive sanitary living conditions, proper and timely medical care, the ability to move freely at least once a day, and adequate shelter from the elements. Furthermore, this measure ensures that every dog under a dog breeder's care is provided a minimum standard of care by requiring the licensure of dog breeders.

Your Committee has amended the measure by:

- (1) Adopting the language of the proposed S.D. 1; and
- (2) Inserting an effective date of July 1, 2050, to ensure 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. 2494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2494, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Gabbard, Ihara). Noes, none. Excused, 1 (Slom).

SCRep. 2560 Judiciary and Labor on S.B. No. 1500

The purpose and intent of this measure is to require anatomical gifts to be accepted if these gifts are medically suitable for transplantation.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation and one private individual.

Your Committee finds that chapter 327, Hawaii Revised Statutes, was enacted with the intent to save lives and improve the lives of people in need of an organ transplant. However, the anatomical gifts laws are not consistently being followed. Organ transplant procurement organizations have ignored an organ donor designation on an individual's drivers license, thus decreasing the number of available organs for transplant. This measure enforces the organ donor gifts procedures and ensures that organ donor designations are followed.

As affirmed by the record of votes of the members 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. 1500 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. 2561 (Joint/Majority) Water, Land, and Housing and Judiciary and Labor on S.B. No. 682

The purpose and intent of this measure is to increase the reserved housing requirement for developments in the mauka area of the Kakaako Community Development District.

Prior to the hearing, your Committees posted a proposed S.D. 1 of this measure that deletes the language relating to reserved housing requirements for developments in the mauka area of the Kakaako Community Development District and adds language that removes the residential development restriction from two lots in the makai area of the Kakaako Community Development District; provided that at least twenty percent of the units are designated for residents in low- or moderate- income ranges. The proposed S.D. 1 also exempts those two lots from public facilities fees.

Your Committees received testimony in support of the proposed S.D. 1 from the Governor, Attorney General, and the Office of Hawaiian Affairs. Testimony in opposition to the proposed S.D. 1 was received from the Outdoor Circle and Friends of Kewalos.

Your Committees have concerns whether the transfer of approximately \$200,000,000 worth of land located in Kakaako makai to the Office of Hawaiian Affairs constitutes a reasonable settlement to the Office of Hawaiian Affairs' longstanding claims to income and proceeds from the ceded lands. For example, your Committees note that the appraised values represented are not current and that the settlement compromises the Office of Hawaiian Affairs' self-determination by requiring the Office of Hawaiian Affairs to comply with Hawaii Community Development Authority rules, covenants, and restrictions. Your Committees further recognize that extensive soil mitigation and remediation is necessary at the former Kakaako landfill site.

Your Committees recognize the value of these properties and believe that the properties' values could be enhanced by certain entitlements that are specifically provided for in this measure. In addition, your Committees acknowledge the concerns regarding residential development in the makai area; however, are assured that the two lots are located on the mauka edge of the district and will not impact access to the ocean in any way.

Your Committees find that a resolution of the decades-long dispute that has plagued state government and the Office of Hawaiian Affairs will have a positive impact on the Office of Hawaiian Affairs' beneficiaries and state government. The amendments in this measure will provide the Office of Hawaiian Affairs with the option to develop two parcels as residential properties and produce a steady revenue stream to fund the Office of Hawaiian Affairs' services to its beneficiaries, while creating much needed rental housing and jobs in the near future.

Your Committees are also aware that the two lots are pending legislative approval for conveyance to the Office of Hawaiian Affairs through S.B. No. 2783. Accordingly, your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by making the measure effective upon conveyance of the two lots to the Office of Hawaiian Affairs.

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 are in accord with the intent and purpose of S.B. No. 682, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 682, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 3 (Fukunaga, Ihara, Slom). Excused, 1 (Tokuda).

SCRep. 2562 Health on S.B. No. 2332

The purpose and intent of this measure is to encourage beekeeping operations in the State by exempting honey producers from being required to process the product in a certified honey house or food-processing establishment; provided that certain requirements are met.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation and one individual. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that exempting honey producers without access to municipal water from having to process honey in a Department of Health-certified food processing establishment, provided that certain conditions are met, has significant negative fiscal implications. The cost of reviewing and testing the non-municipal water and related equipment would cost the Department of Health and small-scale honey producers thousands of dollars, and this prohibitive cost is contrary to the intent of this measure.

Your Committee has amended this measure by:

- (1) Deleting section 2, which exempts honey producers without access to municipal water from having to process honey in a food processing establishment certified by the Department of Health, provided that certain conditions are met;
- (2) Amending the conditions under which a home-based agricultural producer of honey may be exempt from processing honey in a certified honey house and obtaining a permit by:
 - (A) Adopting standardized warning language provided by the Department of Health to be used on the honey container's label; and
 - (B) Requiring home-based agricultural producers of honey to attend a Department of Health-approved food safety workshop, pass the food safety certification examination, maintain records of honey production volume and distribution for at least two years, and make the records available to the Department of Health upon request; 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. 2332, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2332, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Green, Slom).

SCRep. 2563 Commerce and Consumer Protection on S.B. No. 2087

The purpose and intent of this measure is to require health plans that provide coverage for cancer chemotherapy treatment to limit out-of-pocket costs for cancer medications, including generic and nongeneric oral chemotherapy.

Your Committee received testimony in support of this measure from Kaiser Permanente, Hawaii Medical Association, and American Cancer Society.

Your Committee finds that oral anti-cancer medications can have high copayments, coinsurance, and out-of-pocket costs. Your Committee further finds that cancer patients are sometimes forced to make their treatment choice based on cost rather than efficacy. This measure ensures that the costs associated with oral and intravenous chemotherapy procedures are affordable to cancer patients.

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. 2087, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2087, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

SCRep. 2564 Commerce and Consumer Protection on S.B. No. 2229

The purpose and intent of this measure is to allow pharmacists to administer the influenza vaccine to persons between the ages of fourteen and seventeen under certain conditions.

Your Committee received testimony in support of this measure from the Hawaii Association of Health Plans, Safeway, Times Supermarkets, and Walgreens. Your Committee received comments on this measure from the Board of Pharmacy.

Your Committee finds that allowing pharmacists to administer vaccinations is a low-cost and convenient way to meet an important public health need. This measure will increase minors' access to the influenza vaccine and promote public safety.

Your Committee has amended this measure by:

- (1) Specifying that pharmacists who administer the influenza vaccine to persons between the ages of fourteen and seventeen shall complete a training program approved by the Accreditation Council of Pharmacy Education and submit the completion certificate for the training program to the Board of Pharmacy prior to administering the influenza vaccine to persons between the ages of fourteen and seventeen years;
- (2) Removing the provision that would have required only those pharmacists who administer the influenza vaccine to persons between the ages of fourteen and seventeen to renew a license every four years, as this provision conflicts with biennial renewal requirements;
- (3) Clarifying that upon the failure of a licensee or permit holder to comply with any provision, not just training or reporting requirements, of the new section of chapter 461, Hawaii Revised Statutes, established by this measure, the Board of Pharmacy may deny, revoke, or suspend the license or permit and fine or discipline the licensee or permit holder; and
- (4) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

Your Committee notes that this measure, as amended, aligns training requirements for influenza vaccinations with current pharmacist training and continuing education requirements.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2229, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2229, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

SCRep. 2565 Judiciary and Labor on S.B. No. 2504

The purpose and intent of this measure is to:

- (1) Require retail pet stores to:
 - (A) Implant an identification microchip in a dog or cat prior to sale or exchange;
 - (B) Collect appropriate dog licensing forms and fees from a purchaser;
 - (C) Provide specific written documentation regarding each dog or cat sold;
 - (D) Provide written information on the health and benefits of spaying and neutering to the purchaser; and
 - (E) Provide written information for inspection and copying upon request from a county humane officer, animal control officer, or law enforcement officer;
- (2) Prohibit the sale or trading of dogs and cats in public places, except by humane societies or certain animal control, rescue, or care organizations facilitating adoptions; and
- (3) Establish penalties.

Your Committee received testimony in support of this measure from the Humane Society of the United States, the Maui Humane Society, K9 Kokua, the West Hawaii Humane Society, and thirty-seven private individuals. Testimony in opposition to this measure was submitted by twenty-seven private individuals. The Pet Industry Joint Advisory Council submitted comments.

Your Committee finds that the amendments proposed by this measure attempt to better protect Hawaii's animals and consumers. This measure requires implantation of an identification microchip in a dog or cat prior to sale and requires pet sellers to provide essential history and medical information to purchasers, animal care, and animal control agencies.

Your Committee has amended this measure by:

- (1) Deleting county humane officers and animal control officers from the list of individuals who may inspect the written information maintained by the pet seller upon request;
- (2) Clarifying that a law enforcement officer shall inspect or copy written information maintained by a pet seller only upon the receipt of a violation complaint; 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. 2504, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2504, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Gabbard).

SCRep. 2566 Judiciary and Labor on S.B. No. 2222

The purpose and intent of this measure is to address the problem of "sexting", which involves minors taking nude pictures and videos of themselves or other minors, and transmitting the nude images to others by use of a cell phone or other form of electronic communication, by prohibiting:

- (1) Adults from soliciting minors to electronically transmit nude images of minors;
- (2) Minors from electronically transmitting nude images of themselves or other minors, or soliciting other minors to do so; and

- (3) A person from possessing a nude image transmitted by a minor, but making it an affirmative defense that the recipient made reasonable efforts to destroy the transmitted nude image.

Your Committee received testimony in support of this measure from the Department of the Attorney General and two private individuals. Testimony in opposition to this measure was submitted by the Office of the Public Defender and the American Civil Liberties Union of Hawaii.

Your Committee finds that the electronic transmission of youth-produced sexual pictures and videos, frequently referred to as “sexting”, is a growing problem, particularly because the images can be shared with many people almost instantaneously. Once transmitted, the original transmitter has very limited ability to control or prevent further dissemination. Your Committee further finds that the images may be used as a commodity for exchange, and the threatened dissemination of these images may be used as leverage against the subject to force the subject to engage in behaviors that may cause embarrassment, at minimum, and possible mental or emotional harm.

Your Committee notes the concerns raised regarding criminalizing the possession of a nude picture or video of a minor sent by that minor via electronic communication. The Office of the Public Defender indicated its concerns regarding prosecuting or defending cases under certain situations, such as when a nude photo of a minor is sent to another minor, but is inadvertently forwarded to an adult; when a seventeen-year-old male minor and eighteen-year-old female adult exchange nude photos with each other by electronic means; or when minors take nude photos of themselves, but rather than disseminate the photos via electronic means, send these photos through the postal service.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to ensure 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. 2222, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2222, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 2567 Judiciary and Labor on S.B. No. 2381

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to plan, 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, including the acquisition and use of lands necessary to stockpile dredged spoils, without the approval of county agencies.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Testimony in opposition to this measure was submitted by a Council Member of the County Council of Maui and Hawaii’s Thousand Friends.

Your Committee finds that Act 161, Session Laws of Hawaii 1980, granted the Department of Transportation the authority to plan, construct, operate, and maintain harbors throughout the State without the approval of county agencies. Act 272, Session Laws of Hawaii 1991, transferred the jurisdiction, functions, powers, duties, and authority of the ocean recreational boating and coastal activities programs from the Department of Transportation to the Department of Land and Natural Resources, but did not explicitly grant an exemption from county approvals. By allowing the Board of Land and Natural Resources to proceed with certain projects under its jurisdiction without the approval of county agencies, this measure will expedite implementation of much needed improvement projects at the State’s boating facilities, for the benefit of residents and visitors alike.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to ensure 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. 2381, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2381, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 2568 Judiciary and Labor on S.B. No. 2005

The purpose and intent of this measure is to propose a constitutional amendment to article X, section 6, of the Hawaii State Constitution to modify the appointment process for members of the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of this measure from the University of Hawaii Professional Assembly. Testimony in opposition to this measure was submitted by the Regent Candidate Advisory Council of the University of Hawaii.

Your Committee finds that since the establishment of the Candidate Advisory Council for the Board of Regents of the University of Hawaii (Council) pursuant to a constitutional amendment in 2006, the Senate has denied the confirmation of candidates to the Board of Regents on several occasions. This measure proposes a constitutional amendment to give the Governor the authority to more directly appoint highly qualified members to the Board of Regents of the University of Hawaii rather than being obligated to appoint from a limited list of names provided by the Council.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to ensure 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. 2005, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2005, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Ihara). Noes, none. Excused, 1 (Gabbard).

SCRep. 2569 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 2349

The purpose and intent of this measure is to propose an amendment to the Constitution of the State of Hawaii that would repeal the state educational facilities improvement special fund's exemption from the requirement that monies appropriated from the fund be lapsed after three years.

Your Committees received testimony in support of this measure from the Department of Budget and Finance. Testimony in opposition to this measure was submitted by the Department of Education.

Your Committees find that S.B. No. 2348, Regular Session of 2012 (S.B. No. 2348), proposes to repeal the state educational facilities improvement special fund. The constitutional amendment proposed in this measure is necessary for housekeeping purposes in the event the state educational facilities improvement special fund is repealed. Your Committees encourage further discussion on this measure and S.B. No. 2348, as both measures progress through the Legislature.

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 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. 2349, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2349, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 15. Noes, none. Excused, 3 (Dela Cruz, Fukunaga, Ihara).

SCRep. 2570 Judiciary and Labor on S.B. No. 2810

The purpose and intent of this measure is to amend the definition of "employment" in the workers' compensation, temporary disability insurance, and prepaid health care statutes by clarifying the domestic services exclusion for services authorized by the Department of Human Services.

Your Committee received testimony in support of this measure from the Department of Human Services, the Department of Health, and the Department of Labor and Industrial Relations.

Your Committee finds that sections 386-1, 392-5, and 393-5, Hawaii Revised Statutes, exempt developmentally and intellectually disabled recipients of social service payments from providing workers' compensation, temporary disability insurance, and prepaid health care. This measure provides further clarification and consistency by also exempting aged and disabled recipients of home and community-based services authorized by the Department of Human Services and recipients of state-funded home and community-based services, from having to provide workers' compensation, temporary disability insurance, and prepaid health care due to the provision of these services.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2810, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2810, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Gabbard).

SCRep. 2571 Judiciary and Labor on S.B. No. 2825

The purpose and intent of this measure is to authorize the Department of Health to:

- (1) Allow limited access by authorized health organizations to registry information in the Hawaii Immunization Registry to produce immunization assessment reports; and
- (2) Store minimal demographic information for individuals who have elected to refuse inclusion in the Hawaii Immunization Registry.

Your Committee received testimony in support of this measure from the Department of Health, the Hawaii Medical Service Association, AlohaCare, and one private individual. Testimony in opposition to this measure was submitted by one private individual.

Your Committee finds that this measure enables health insurers access to the Hawaii Immunization Registry for the limited purpose of producing immunization assessment reports. The Department of Health's ability to share immunization data with health insurers can assist in the formulation of strategies to improve immunization rates.

Your Committee further finds that authorizing the Department of Health to store minimal patient demographic information in the Hawaii Immunization Registry enables the system to automatically identify patients who have elected to opt out of the system. This measure will prevent the inadvertent data entry or data transfer of restricted patient information into the registry and thereby ensure further privacy protections for these individuals.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure 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. 2825, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2825, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 2572 Judiciary and Labor on S.B. No. 3039

The purpose and intent of this measure is to:

- (1) Prohibit a health care facility or health care provider from discriminating against a person who has human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), or AIDS-related complex (ARC) and who is in need of an organ transplant by refusing to perform the organ transplantation; and
- (2) Specify that persons with HIV, AIDS, or ARC shall not be prohibited from receiving an anatomical gift.

Your Committee did not receive any testimony on this measure.

Your Committee finds that individuals with HIV, AIDS, or ARC were previously prevented from receiving organ transplants due to doubts that these patients could survive the procedure given their weakened immune systems. However, with advances in treatment, people with HIV, AIDS, and ARC are living longer now than they were twenty years ago. This measure provides people with HIV, AIDS, or ARC with a fair opportunity to receive potentially life-saving organ transplants.

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. 3039, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3039, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2573 Judiciary and Labor on S.B. No. 2098

The purpose and intent of this measure is to clarify that persons and entities subject to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), who use or disclose information in a manner permitted by and consistent with HIPAA and related federal regulations, shall be deemed to be acting in compliance with state privacy laws and rules.

Your Committee received testimony in support of this measure from the Office of the Governor; the Department of Health; the Hawaii Health Information Exchange; AlohaCare; Hawaii Chapter, American Physical Therapy Association; the Healthcare Association of Hawaii; the Hawaii Association of Health Plans; Kaiser Permanente Hawaii; the Hawaii Disability Rights Center; the Hawaii Medical Service Association; and the Hawaii Health Information Corporation. Testimony in opposition to this measure was submitted by the Hawaii Association for Justice. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee finds that this measure facilitates the exchange of health information and simplifies the complex analysis of applicable state privacy laws by harmonizing various state laws and rules governing the disclosure of medical information with federal HIPAA requirements. By simplifying the health information exchange between providers, this measure will aid in improving patient care, reducing health care costs, and enhancing the quality of health care operations without compromising privacy protections.

Your Committee recognizes the work of the representatives from the Office of the Governor, the Department of Health, the Department of Commerce and Consumer Affairs, the Department of the Attorney General, and other health care stakeholders who developed and streamlined the language in this measure for consideration.

Accordingly, your Committee has amended this measure by:

- (1) Revising the purpose section to state that the purpose is to assure that covered entities and their business associates subject to and in compliance with HIPAA shall be in compliance with state privacy laws and rules and specifying the laws subject to this measure, including the use and disclosure laws for Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS), or AIDS Related Complex (ARC); developmental disabilities; and mental health records;
- (2) Deleting references to laws enacted prior to HIPAA to clarify that this measure applies to laws that pre-date and post date the enactment of HIPAA;
- (3) Deleting language that protects any state law or rule that requires notification of other security or privacy breaches from this measure and adding language that protects any evidentiary privilege, discovery limitation, or confidentiality protection provided by law, rule, order, or decision in relation to individually identifiable health information sought, used, or produced in any judicial or administrative proceeding from 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2098, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2098, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 2574 (Majority) Judiciary and Labor on S.B. No. 2386

The purpose and intent of this measure is to:

- (1) Require the Native Hawaiian Roll Commission to be responsible for receiving and maintaining verification documents from individuals seeking to be included in the roll of qualified Native Hawaiians;
- (2) Require verification documents to be kept confidential; and
- (3) Prohibit the Native Hawaiian Roll Commission from publishing or releasing any verification documents of any qualified Native Hawaiian on the roll.

Your Committee finds that there is no public interest in disclosing any verification documents submitted to the Native Hawaiian Roll Commission. This measure addresses concerns about the disclosure of private information that, if left unresolved, would have a chilling effect on the registration of qualified Native Hawaiians. Making verification documents confidential ensures that individuals can register without fear of disclosure of private information.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to ensure 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. 2386, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2386, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, none.

SCRep. 2575 Judiciary and Labor on S.B. No. 3031

The purpose and intent of this measure is to clarify that a liquor licensee who timely prevents or suppresses any violent, quarrelsome, disorderly, lewd, immoral, or unlawful conduct of any person on the premises is not in violation of the law.

Your Committee did not receive any testimony on this measure.

Your Committee finds that existing law provides for an "immediate" action by the liquor licensee to prevent or suppress violent, quarrelsome, disorderly, lewd, immoral, or unlawful conduct. This measure substitutes "timely" for "immediate," which is intended to afford the licensee a more practical time period in which to address the behavior.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to ensure 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. 3031, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3031, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2576 Ways and Means on S.B. No. 2695

The purpose and intent of this measure is to create a livestock feed feasibility pilot project to research the viability of growing and processing feed in the State. In addition, the bill directs the development of a livestock feed program, to the extent possible, on lands held by the Department of Agriculture.

Your Committee finds that the rising cost of feed for livestock animals has resulted in the closure of a number of dairies. The livestock feed feasibility pilot project in this measure would improve the State's food security by allowing local dairies to obtain locally produced feed, thereby allowing consumers to obtain locally produced milk and beef, and decreasing the State's dependence on imported foods.

Your Committee has amended this measure by:

- (1) Clarifying that the livestock feed feasibility pilot project shall explore the viability of growing and processing livestock feed within the State and, to the extent feasible, begin growing and processing livestock feed on land held by the Department of Agriculture;
- (2) Changing the appropriation to an unspecified sum; 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. 2695, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2695, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14, Ayes with Reservations (English). Noes, none. Excused, none.

SCRep. 2577 Ways and Means on S.B. No. 2112

The purpose and intent of this measure is to extend, through 2017, the exemption from taxation on capital gains realized from the sale to associations of apartment owners or residential cooperative corporations of leased fee interest in condominium units.

Your Committee received written comments in support of this measure from the Hawaii Association of Realtors and Monarch Properties, Inc.

Your Committee finds that the extension of the tax exemption in this measure will encourage landowners to sell condominium lessees the fee interest in their units, thereby promoting the long-term stability in Hawaii's condominium housing market and encouraging home ownership.

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. 2112, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2112, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2578 Ways and Means on S.B. No. 2427

The purpose and intent of this measure is to require the Public Utilities Commission to adopt best practices in all commission activities for purposes of increasing transparency and efficiency.

Written comments in support of this measure was submitted by the Public Utilities Commission and the Department of Budget and Finance.

Your Committee finds that requiring the Public Utilities Commission to adopt utility and regulatory best practices will help ensure that Hawaii utilities are regulated by policies that are up-to-date, streamlined, subject to current information technology standards, and transparent.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount for purposes of further discussion; 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. 2427, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2427, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14, Ayes with Reservations (Slom). Noes, none. Excused, none.

SCRep. 2579 Ways and Means on S.B. No. 2758

The purpose and intent of this measure is to clarify or correct errors, ambiguities, and inconsistencies in Hawaii's business registration laws.

Your Committee finds that this housekeeping measure will facilitate compliance with and efficient administration of Hawaii's business registration laws.

Your Committee has amended this measure by:

- (1) Clarifying that registered agents maintained by nonprofit corporations pursuant to section 414D-71, Hawaii Revised Statutes, must fall into one of the categories listed in that section; 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. 2758, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2758, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2580 (Majority) Ways and Means on S.B. No. 2763

The purpose and intent of this measure is to amend the Secure and Fair Enforcement for Mortgage Licensing Act to reflect recent federal changes and adjust fees in consideration of new federal requirements.

Written comments in support of the measure were submitted by the Mortgage Bankers Association of Hawaii.

Your Committee finds that the measure exempts loan originators who are employed by mortgage servicer companies and nonprofit organizations from the licensure requirements of the State's Secure and Fair Enforcement for Mortgage Licensing Act and makes other amendments to conform state law to federal law.

Your Committee has amended this measure by:

- (1) Changing the effective date of the bill to July 1, 2050, to facilitate further discussion; and
- (2) Making technical nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2763, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2763, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Ayes with Reservations (Chun Oakland). Noes, 1 (Slom). Excused, none.

SCRep. 2581 Ways and Means on S.B. No. 2768

The purpose and intent of this measure is to conform to unified standards adopted by the National Association of Insurance Commissioners, by eliminating the underlying producer license requirement as a prerequisite for applying and obtaining a surplus lines broker license.

In addition, this measure:

- (1) Provides greater clarity and consistency in licensing insurance producers that sell annuity products; and
- (2) Clarifies the licensing requirements for reinsurance intermediaries and removes unnecessary licensing conditions.

Your Committee finds that the amendments in this measure would enable the Department of Commerce and Consumer Affairs to more efficiently license surplus lines brokers, insurance producers, and reinsurance intermediaries and to better protect the interests of Hawaii consumers.

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. 2768, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2768, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2582 Ways and Means on S.B. No. 2362

The purpose and intent of this measure is to authorize the Director of Finance to issue general obligation bonds to provide funding for improvements to irrigations systems throughout the State.

Written comments in support of this measure were submitted by the Kau Farm Bureau. Written comments were also submitted by the Department of Agriculture.

Your Committee finds that a reliable irrigation system is essential for the maintenance of agriculture, and that sufficient funding is needed to maintain and improve the water irrigation systems 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. 2362, 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. 2583 Ways and Means on S.B. No. 2435

The purpose and intent of this measure is to appropriate funds for the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services to contract for a telephone-based audible information access service.

Written comments in support of this measure were submitted by the Department of Human Services and the National Federation of the Blind of Hawaii.

Your Committee finds that many persons in Hawaii have visual disabilities, and while it may not be practical for the State to provide time-sensitive printed materials in formats such as braille, large print, and audio recordings, another option is to provide telephone-based audible information access services for persons who are visually impaired. This measure provides funds to maintain a telephone-based audible information access service.

Your Committee has amended this measure by deleting the specific amount appropriated to promote further discussion of this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2435, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2435, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

SCRep. 2584 Ways and Means on S.B. No. 2796

The purpose and intent of this measure is to make permanent the decreased death benefit amount for medical and financial assistance recipients that was implemented by Act 205, part II, Session Laws of Hawaii 2010.

This measure also clarifies that the Department of Human Services is responsible for payment of mortuary and crematory services for unclaimed dead human bodies only after reviewing and approving the efforts made to determine that the body is unclaimed.

Your Committee received written comments in support of this measure from the Department of Human Services.

Your Committee notes that, although the savings from the change in the death benefit was approximately \$300,000 last year, the Department of Human Services continues to struggle to maintain the level of services necessary for the neediest populations in the State. Your Committee finds that permanently adopting the measures taken by Act 205, part II, Session Laws of Hawaii 2010, will assist the Department of Human Services in maintaining other current services while minimally impacting the public.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2796, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2796, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2585 Ways and Means on S.B. No. 2101

The purpose and intent of this measure is to make permanent the general excise tax exemption on funds received by a managed care support contractor of the TRICARE program for the actual cost or advancement to third-party health care providers pursuant to a contract with the United States.

Written comments in support of this measure were submitted by TriWest Healthcare Alliance, Inc. Written comments were submitted by the Tax Foundation of Hawaii.

Your Committee finds that making permanent the temporary TRICARE program general tax exemption provided by Act 70, Session Laws of Hawaii 2009, would help alleviate the need to increase healthcare costs for services delivered through the TRICARE program for members of the military and their families.

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 a technical, nonsubstantive amendment for style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2101, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2101, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2586 Ways and Means on S.B. No. 2383

The purpose and intent of this measure is to support health care services by extending until June 30, 2018, the authorization to issue special purpose revenue bonds to assist The Queen's Health Systems with the renovation and expansion 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 assist in the improvement of health care for residents of the State. Your Committee further finds that this measure will allow The Queen's Health Systems to continue its ongoing renovation and construction of health care facilities and acquisition of equipment, land, and information technology, ultimately improving the level of health care services to the residents of the State.

Your Committee has amended this measure by:

- (1) Clarifying that the extension of bond authorization is not subject to the five-year limitation of section 39A-37(a), Hawaii Revised Statutes; 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. 2383, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2383, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2587 Ways and Means on S.B. No. 2958

The purpose and intent of this measure is to appropriate moneys to the Department of Health for the implementation of a new bone marrow transplantation program in the State.

Written comments in support of this measure were submitted by one individual.

Your Committee finds that bone marrow transplantation services are no longer available in the State and that persons must travel to the mainland to receive these services. This is not only costly, but can be potentially harmful to the health of the person.

Your Committee also finds that an appropriation to implement a new bone marrow transplantation program in the State will enable persons residing in the State to receive bone marrow transplantation services without having to travel to the mainland.

Your Committee has amended this measure by:

- (1) Deleting the appropriation amount to facilitate further discussion; and
- (2) Making technical nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2958, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2958, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2588 (Majority) Ways and Means on S.B. No. 3006

The purpose and intent of this measure is to establish a task force to study ways to prevent or control the problem of illegal dumping of abandoned tires.

Your Committee received written comments in support of this measure from one individual.

Your Committee finds that discarded motor vehicle tires continue to blight many neighborhoods, particularly in rural and isolated areas. This is due, in large part, to the repeal of the motor vehicle tire surcharge that the Department of Health used to fund and promote tire recovery and prevent illegal dumping. Your Committee finds that new ideas are needed to address the problem of abandoned tires throughout the State.

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. 3006, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3006, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13, Ayes with Reservations (Dela Cruz, Kidani, Kim). Noes, 1 (Slom). Excused, none.

SCRep. 2589 (Majority) Ways and Means on S.B. No. 2060

The purpose and intent of this measure is to facilitate the prosecution of domestic violence cases by allowing family courts, under certain conditions, to require the accused in a criminal matter to transport any material witness to court, if the witness is a minor, elderly person, or incapacitated person who resides with or is under the custody of the accused.

Your Committee finds that in some instances, domestic violence cases fail to proceed to trial because the court did not have express authority to order the defendant to transport a minor, elder, or incapacitated witness to court. These cases reach a standstill when the accused may be intentionally precluding the appearance of the witness in court, particularly in cases where the witness is the alleged victim of the accused. This measure seeks to empower family courts to hear domestic violence cases in which minors, elders, and incapacitated individuals may have been victimized by their own relatives or caregivers.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2060, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2060, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

SCRep. 2590 (Majority) Ways and Means on S.B. No. 2323

The purpose and intent of this measure is to appropriate funds for collective bargaining costs for registered professional nurses under bargaining unit 9.

Written comments in support of this measure were submitted by the Hawaii Government Employees Association. Written comments on this measure were submitted by the Department of Budget and Finance.

Your Committee finds that the registered professional nurses under bargaining unit 9 are currently negotiating their collective bargaining agreements. If an impasse occurs, an arbitration panel may award terms requiring appropriations for collective bargaining costs. This measure provides a vehicle for these appropriations.

Your Committee has amended this measure by:

- (1) Clarifying that the appropriation for cost adjustments for excluded executive branch employees in section 15 of the measure is for Hawaii Employer-Union Health Benefits Trust Fund costs, consistent with the appropriation for their civil service counterparts under section 13 of the 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2323, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2323, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Slom). Excused, none.

SCRep. 2591 Ways and Means on S.B. No. 3001

The purpose and intent of this measure is to prohibit the transfer, transport, or release after transport of wild or feral mammals and to establish mandatory fines for violations.

Written comments in support of this measure were submitted by The Nature Conservancy and one individual.

Your Committee finds that invasive animals, insects, and other pests pose some of the greatest threats to Hawaii's economy and ecosystem.

Your Committee also finds that preventing new pest establishment is more economical and efficient than eradicating a pest or, even worse, controlling it indefinitely once it becomes established.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3001, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3001, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Tokuda).

SCRep. 2592 Ways and Means on S.B. No. 2225

The purpose and intent of this measure is to reduce frivolous litigation while preserving prisoner rights, by imposing certain conditions on prisoner lawsuits brought in forma pauperis (without having to pay court fees).

Specifically, this measure, among other things:

- (1) Requires any prisoner seeking to file a lawsuit in forma pauperis to submit financial documents, certified by the correctional facility, indicating the prisoner's inability to pay court filing fees;
- (2) Authorizes courts to require prisoners to make partial payments of filing fees as funds become available in the prisoner's account, when the prisoner's lawsuit does not meet the requirements for in forma pauperis actions; and
- (3) Provides that after a prisoner has had four or more in forma pauperis civil actions or appeals dismissed by a court as frivolous or malicious, or for failure to state a claim, the prisoner must pay the full filing fee in advance for any future lawsuits during the period of incarceration, unless the prisoner is in imminent danger of serious injury.

Your Committee received written comments in opposition to this measure from the Community Alliance on Prisons.

Your Committee finds that a prisoner may bring a court action in forma pauperis if the prisoner demonstrates an inability to pay court fees. This measure structures the process for filing these prisoner lawsuits to eliminate fraudulent assertions of poverty and reduce frivolous lawsuits that divert government resources away from other litigation that have or may have merit.

Your Committee has amended this measure by:

- (1) Clarifying an internal cross-reference with respect to the payment of the full amount of costs ordered in a judgment against a prisoner in an in forma pauperis action; 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. 2225, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2225, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2593 (Majority) Ways and Means on S.B. No. 2245

The purpose and intent of this measure is to provide funding for the hiring of staff to administer the Reduced Ignition Propensity Cigarette Program.

This measure accomplishes this purpose by appropriating \$400,000 from the temporary deposits account in the trust fund of the Department of Labor and Industrial Relations to the Reduced Ignition Propensity Cigarette Program Special Fund for the cost of implementing the program and the hiring of staff.

Written comments in support of this measure were submitted by the State Fire Council, Honolulu Fire Department, County of Hawaii Fire Department, County of Maui Department of Fire and Public Safety, State Fire Council, and County of Kauai Fire Department

Your Committee finds that the State Fire Council has been understaffed since it replaced the State Fire Marshal's office in 1979, and currently it consists of only one part-time staff member. An appropriation is needed to hire two full-time personnel to the State Fire Council to effectively implement the Reduced Ignition Propensity Cigarette Program's purpose of reducing the number of fires caused by discarded cigarettes.

Your Committee has amended this measure by:

- (1) Changing the appropriation amounts in sections 3 and 4 to unspecified sums; and
- (2) Clarifying that the funds to be appropriated from "temporary deposits account in the trust fund of the Department of Labor and Industrial Relations" are moneys collected pursuant to section 132C-4, Hawaii Revised Statutes, for the Reduced Ignition Propensity Program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2245, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2245, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12, Ayes with Reservations (Kim). Noes, 1 (Slom). Excused, 1 (Dela Cruz).

SCRep. 2594 Ways and Means on S.B. No. 2396

The purpose and intent of this measure is to enhance the performance of the Hawaii Paroling Authority by:

- (1) Adding two part-time members to the Paroling Authority, for a total of four part-time members and one full-time chair;
- (2) Requiring the Governor to establish the salary of the chair of the Paroling Authority; and
- (3) Appropriating funds for the additional expenses of the new part-time members of the Paroling Authority.

Your Committee received written comments in support of this measure from the Department of Public Safety.

Your Committee finds that the Hawaii Paroling Authority has maintained the same number of members for decades even though its workload has risen significantly over the years due to an increase in incarceration rates. The adding of members to the Paroling Authority will facilitate the proper deliberation of issues when the Paroling Authority reviews cases and makes decisions that are vital to public safety.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion of 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. 2396, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2396, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Dela Cruz, Kahele, Kim, Kouchi).

SCRep. 2595 Ways and Means on S.B. No. 2584

The purpose and intent of this measure is to broaden the accessibility to the State's tuition assistance program for National Guard members.

Specifically, the measure:

- (1) Makes the existing tuition assistance program available to all Hawaii National Guard members;
- (2) Prioritizes funds to Hawaii National Guard member-students working toward an undergraduate degree; and
- (3) Appropriates funds for the tuition assistance program.

Your Committee finds that tuition assistance should not be limited to only selected members of the Hawaii National Guard, but should be made available to all Hawaii National Guard members to allow them to continue their education and prepare them to enter the workforce. Expanded tuition assistance will also benefit the Hawaii National Guard's recruitment and retention efforts.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified amount; 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. 2584, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2584, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2596 Ways and Means on S.B. No. 2681

The purpose and intent of this measure is to improve the management of criminal defendants who have been determined unfit to stand trial and committed to the custody of the Director of Health, by allowing these defendants to be transferred to correctional facilities under certain conditions.

Your Committee received written comments in support of this measure from the Department of Health.

Your Committee finds that this measure addresses the situation that arises when a defendant who has been committed to the Hawaii State Hospital has been treated to clinical stability, but continues to require high-level security. This measure allows the transfer of these individuals to an appropriate setting, once their treatment needs have been met.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2681, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2681, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2597 Ways and Means on S.B. No. 3040

The purpose and intent of this measure is to promote car-sharing by exempting rentals made from car-sharing organizations from the rental motor vehicle surcharge.

Your Committee received written comments in support of this measure from the Department of Transportation and the Blue Planet Foundation.

Your Committee finds that there are over a million vehicles in Hawaii, with the vast majority being passenger vehicles. Some of these vehicles are owned by residents who drive them only a few times a week or by those who must purchase a large vehicle for work, but cannot afford to purchase a second fuel-efficient vehicle for personal use. Your Committee finds that car-sharing programs can address the needs of these residents and others while simultaneously reducing Hawaii's fuel consumption and the concomitant toll on the environment. Your Committee further finds that providing a rental motor vehicle surcharge tax exemption to car-sharing programs will remove one barrier hindering the growth of car-sharing programs in this State.

Your Committee has amended this measure by:

- (1) Clarifying, within the definition of "car-sharing organization", that the term refers to non-profit car-sharing organizations;
- (2) Deleting the new paragraph (3) being added to section 251-2(a), Hawaii Revised Statutes, because it is redundant of the proviso language being added to the same section to exempt a car-sharing organization from the rental motor vehicle surcharge tax;
- (4) Changing the effective date to July 1, 2050, to promote further discussion; 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. 3040, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3040, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Kidani). Noes, none. Excused, 1 (Fukunaga).

SCRep. 2598 Ways and Means on S.B. No. 490

The purpose and intent of this measure is to provide funding to develop and implement initiatives that take advantage of expanded visa programs to increase travel opportunities for international visitors to visit Hawaii.

The measure provides funding by increasing the allocation of the transient accommodations tax revenue to be deposited into the tourism special fund from \$69,000,000 to \$71,000,000 and then allocating the \$2,000,000 to be expended for the development and implementation of such initiatives.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the federal government has recently announced initiatives to significantly increase travel and tourism in the United States. This measure will help promote economic development and expand Hawaii's tourism by targeting international markets.

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. 490, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 490, S.D. 3.

Signed by the Chair on behalf of the Committee.

Ayes, 14, Ayes with Reservations (Espero). Noes, none. Excused, none.

SCRep. 2599 Ways and Means on S.B. No. 2642

The purpose and intent of this measure is to appropriate funds for the Hawaii Tourism Authority to take advantage of new initiatives for increased travel and tourism in the United States, which will further establish Hawaii as a global destination and benefit the State's economy.

Your Committee received written comments in support of this measure from Hawaiian Airlines.

Your Committee finds that the federal government's recent travel and tourism initiatives will be highly beneficial to Hawaii's tourism economy and will advance efforts to stimulate job growth. The funds appropriated by this measure will help the Hawaii Tourism Authority to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified sum; 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. 2642, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2642, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14, Ayes with Reservations (Espero). Noes, none. Excused, none.

SCRep. 2600 Ways and Means on S.B. No. 3048

The purpose and intent of this measure is to stimulate new construction and renovation work through tax relief for:

- (1) Employers that hire certain individuals at new or renovated hotel and resort facilities; and
- (2) Large hotel and resort construction and renovation projects.

Your Committee received written comments in support of this measure from Goodsill Anderson Quinn and Stifel and The Pacific Resource Partnership. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that traditional financing has failed to generate new construction and renovation work in the hotel and resort industry. The tax incentives in this measure will encourage new construction and renovation of hotels and resorts, thereby stimulating job growth in 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, 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. 3048, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3048, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2601 Ways and Means on S.B. No. 2933

The purpose and intent of this measure is to:

- (1) Require the Department of Land and Natural Resources to adopt and enforce stricter rules and regulations that protect ocean users; and
- (2) Appropriate moneys for swim zone buoys at Kamaole Beach.

Written comments in support of this measure were submitted by the County Council of the County of Maui, and one individual.

Your Committee finds that there were at least four reported accidents in 2011 that involved swimmers and divers being struck by boats. The increased recreational and commercial activities in Hawaii's near-shore waters have led to safety concerns, especially at Kamaole beach on the island of Maui. Your Committee finds that there is a compelling need to provide safe and suitable areas for residents and visitors to enjoy the waters.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to an unspecified sum; and
- (2) Making technical nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2933, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2933, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2602 Ways and Means on S.B. No. 2986

The purpose and intent of this measure is to make permanent the provisions of Act 103, Session Laws of Hawaii 2007, as amended by Act 198, Session Laws of Hawaii 2009, the taxation rate for naphtha, a liquid fuel that is sold for use in electric power generation.

Written comments in support of this measure were submitted by Kauai Island Utility Cooperative.

Your Committee finds that the provisions of Act 103, Session Laws of Hawaii 2007, as amended by Act 198, Session Laws of Hawaii 2009, have helped to stabilize energy costs and is in the best interest of the public.

Your Committee, after further consideration, has instead amended this measure by extending the repeal date of the taxation rate for naphtha from December 31, 2012, to December 31, 2017.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2986, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2986, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (English).

SCRep. 2603 (Majority) Ways and Means on S.B. No. 2110

The purpose and intent of this measure is to:

- (1) Designate Uluulu: The Henry Kuualoha Giugni Moving Image Archive of Hawaii as the official state archive for moving images;
- (2) Establish a special fund to be administered and expended by the University of Hawaii to support activities of the Archive; and
- (3) Provide an income tax check-off for the benefit of the special fund.

Your Committee received written comments in support of this measure from two private citizens.

Your Committee finds that establishing a moving image archive will help ensure that Hawaii-related films, videotapes, and audiovisual materials will be preserved for future generations while concomitantly honoring Henry Giugni, the first United States Senate Sergeant-at-Arms of Polynesian descent.

Your Committee has amended this measure by:

- (1) Deleting the establishment of an income tax check-off for the benefit of the Archive's special fund;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2110, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2110, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Slom). Excused, none.

SCRep. 2604 Ways and Means on S.B. No. 2233

The purpose and intent of this measure is to allow government agencies, when required to give public notice or publish notice, to give the notice by electronic or online publication on the centralized website of the State or the website of the affected county, as applicable.

In addition, the measure appropriates unspecified sums for:

- (1) The operational expenses of the Office of Information Management and Technology; and
- (2) Support services by the Hawaii State Public Library System for the public to access and print information from the centralized website of the State.

Your Committee received written comments in support of this measure from the Office of Information Management and Technology and the Hawaii State Public Library System. Your Committee received written comments in opposition to this measure from Midweek and Oahu Publications. The Judiciary submitted written comments on this measure.

Your Committee finds that requiring government agencies to give public notice in a daily or weekly publication is costly and does not take full advantage of enhancements in communications technology. This measure allows government agencies to give notice on state or county websites, as appropriate, which will provide significant cost savings for state and county governments.

Your Committee has amended this measure by:

- (1) Clarifying that the affidavit of the appropriate county representative shall be proof of publication via the website of the affected county;
- (2) Clarifying that if the notice is published on the website of the affected county, the public notice shall include information or links to other locations of the electronic or online notice; 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. 2233, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2233, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2605 Ways and Means on S.B. No. 2238

The purpose and intent of this measure is to repeal Act 155, Session Laws of Hawaii 2010.

Written comments in support of this measure were submitted by the Chamber of Commerce of Hawaii.

Your Committee finds that Act 155, Session Laws of Hawaii 2010, was enacted to improve the efficiency of the state general excise tax by requiring 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. Your Committee also finds that, while well-intentioned, it is unclear whether Act 155 has resulted in any increase in tax revenues.

Your Committee also finds that Act 155 imposes disproportionately severe penalties for failure to file tax returns. These penalties include forfeiture of any general excise tax benefits (exemptions, deductions, income splitting, credits, wholesale rates) of a taxpayer who fails to file an annual return in a timely manner, regardless of whether the taxpayer has filed all necessary periodic returns or has any tax liability.

Your Committee has received written comments indicating that the taxpayers most likely to inadvertently 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 believes that repealing Act 155 will make the state general excise tax law fairer and more reasonable.

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. 2238, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2238, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2606 Ways and Means on S.B. No. 2239

The purpose and intent of this measure is to:

- (1) Exempt grants made under the community-based economic development program from the Hawaii public procurement code;
- (2) Clarify that the Hawaii Strategic Development Corporation is the expending agency for the moneys in the hydrogen investment capital special fund; and
- (3) Abolish the High Technology Innovation Corporation.

Your Committee received written comments in support of this measure from the Hawaii Strategic Development Corporation. The High Technology Development Corporation and the High Technology Innovation Corporation submitted written comments in opposition to this measure, and the Department of Business, Economic Development, and Tourism submitted written comments.

Your Committee finds that exempting the grants of the community-based economic development program from the Hawaii public procurement code is in accord with legislative intent surrounding the establishment of the community-based economic development program in 1990.

Your Committee also finds that, due to continuing state general fund support for the High Technology Development Corporation, the funding mechanism provided by the non-profit High Technology Innovation Corporation is no longer necessary.

Your Committee further finds that clarifying the Hawaii Strategic Development Corporation's expenditure authority over the hydrogen investment capital special fund would facilitate the efficient and appropriate use of the fund.

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 S.B. No. 2239, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2239, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12, Ayes with Reservations (Kidani, Slom). Noes, none. Excused, 2 (Dela Cruz, Ryan).

SCRep. 2607 Ways and Means on S.B. No. 2739

The purpose and intent of this measure is to ensure the stability of the Small Business Regulatory Review Board by:

- (1) Authorizing the Department of Business, Economic Development, and Tourism to charge fees to an agency that submits rules for review to the Small Business Regulatory Review Board to offset the expenses of the Board; and
- (2) Requiring agencies to notify the Small Business Regulatory Review Board, on an annual basis, of any rules that affect small business and that need to be amended or repealed to conform to statutory amendments or repeals.

Written comments in opposition of this measure were submitted by the Department of Business, Economic Development and Tourism.

Your Committee finds that authorizing the Small Business Regulatory Review Board to charge fees to offset the costs incurred by the Board in conducting its administrative rules review will help ensure a stable funding source for its operations. Your Committee also finds that requiring agencies to inform the Board of any rules affecting small business that need to be amended or repealed will improve the efficiency of the administrative rules review process.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2012, to July 1, 2050, to facilitate further discussion; 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. 2739, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2739, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2608 Ways and Means on S.B. No. 2947

The purpose and intent of this measure is to require state agencies that certify or otherwise administer a tax credit related to economic development to submit an annual report containing certain required information to the Department of Taxation. This measure also requires the Department of Taxation to post the reports on its website.

Written comments in support of this measure were submitted by the Hawaii Strategic Development Corporation and High Technology Development Corporation.

Your Committee finds that this measure enhances the concept of an open government, because providing public access to the reports will promote a greater understanding of the types of tax credits and exemptions that exist to encourage economic development in this State.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2947, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2947, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2609 (Majority) Ways and Means on S.B. No. 2990

The purpose and intent of this measure is to require the Department of Accounting and General Services to hire an independent third party to develop a long-range plan for Aloha Stadium, including a feasibility study to determine the cost benefits of placing Aloha Stadium under the jurisdiction of the University of Hawaii rather than the Department of Accounting and General Services.

In addition, the measure:

- (1) Requires the Department of Accounting and General Services to report its findings and recommendations to the Legislature prior to the convening of the Regular Session of 2013; and
- (2) Appropriates \$50,000 for the Department of Accounting and General Services to contract with an independent third party to develop a long-range plan for Aloha Stadium.

Your Committee received written comments in support of this measure from The Pacific Resource Partnership and one individual. Your Committee received written comments in opposition to this measure from the Aloha Stadium Authority.

Your Committee finds that Aloha Stadium has a broad and diverse spectrum of users, including the University of Hawaii. The feasibility study required by this measure will allow the State to make an informed decision regarding the efficacy of placing the stadium under the jurisdiction of the University of Hawaii.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified sum; 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. 2990, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2990, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12, Ayes with Reservations (Dela Cruz, Espero, Kim, Ryan). Noes, 2 (Chun Oakland, Slom). Excused, none.

SCRep. 2610 Ways and Means on S.B. No. 2525

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Hawaii Pacific University, a Hawaii not-for-profit university, and one or more of its not-for-profit affiliates, with costs related to educational facilities.

Written comments were submitted by Hawaii Pacific University.

Your Committee finds that it is in the public interest and for the public health, safety, and welfare to assist in the improvement of the educational system for residents of the State. This measure will allow Hawaii Pacific University to construct additional educational facilities including student housing and athletic facilities, renovate existing facilities, purchase land and improvements, and acquire and install information technology.

Your Committee has amended this measure to allow maximum flexibility in financing and constructing programs, including allowing interest on the bonds to be included in gross income for federal income-tax purposes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2525, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2525, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2611 Ways and Means on S.B. No. 2540

The purpose and intent of this measure is to clarify and resolve conflicting and inconsistent language related to the Department of Education by amending or repealing various sections of Chapter 302A, Hawaii Revised Statutes.

Your Committee received written comments on this measure from one individual.

Your Committee finds that the amendments in this measure will assist the Department of Education in meeting its core mission. Your Committee also finds that it is appropriate to repeal sections that are no longer necessary, are addressed by federal law, or are duplicative of an administrative rule, Board of Education policy, or another statute.

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. 2540, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2540, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2612 (Majority) Ways and Means on S.B. No. 2545

The purpose and intent of this measure is to establish a comprehensive approach to developing and implementing early learning strategies for Hawaii's children.

Specifically, the measure:

- (1) Establishes the Executive Office on Early Learning;
- (2) Establishes the Early Learning Advisory Board to replace the Early Learning Council;
- (3) Repeals junior kindergarten programs at the end of the 2013-2014 school year;
- (4) Requires students, beginning with the 2014-2015 school year, to be at least five years of age on July 31 of the school year in order to attend kindergarten; and
- (5) Makes an appropriation of \$500,000 to pay for expenses for the Executive Office on Early Learning.

Written comments in support of this measure were submitted by the Department of Education; Department of Human Services; Be My Voice Hawaii-Leadership Council; and Hawaii Association for the Education of Young Children. Written comments in opposition of this measure were submitted by the HE'E Coalition. Written comments on the measure were submitted by the Hawaii State Teachers Association and Good Beginnings Alliance.

Your Committee finds that early childcare systems that encourage learning at early ages provide significant, long-term benefits and that there is a need for high-quality early learning programs for the children of Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that one purpose of the measure is to provide for an implementation plan and projected financials to ensure a seamless transition from junior kindergarten to the Keiki First Steps Program;

- (2) Requiring the transfer of the Hawaii Head Start State Collaboration Office from the Department of Human Services to the Executive Office on Early Learning;
- (3) Changing the appropriation to establish the Executive Office on Early Learning to an unspecified sum; 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. 2545, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2545, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12, Ayes with Reservations (Ryan). Noes, 1 (Slom). Excused, 1 (Kouchi).

SCRep. 2613 Ways and Means on S.B. No. 2546

The purpose and intent of this measure is to amend the form and function of the candidate advisory council for the board of regents of the University of Hawaii.

Your Committee received written comments in opposition to this measure from the Regent Candidate Advisory Council of the University of Hawaii.

Your Committee finds that although the candidate advisory council for the board of regents has nominated many outstanding appointees to the board of regents, important issues have been raised about the selection process. It has also become clear that allowing the Governor greater control and involvement in the recruitment and selection process can only enhance the Governor's ability to select nominees to the board of regents. This measure changes the form and processes of the candidate advisory council to maximize the Governor's ability to appoint qualified persons to the board of regents.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (2) Making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2546, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2546, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2614 Ways and Means on S.B. No. 2952

The purpose and intent of this measure is to support education by authorizing the issuance of special purpose revenue bonds of up to \$25,000,000 to finance the planning, acquisition, construction, improvement, and equipping of the educational facilities of Le Jardin Academy.

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.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2952, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2952, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2615 Judiciary and Labor on S.B. No. 2457

The purpose and intent of this measure is to require a hearings officer, upon a request to review the decision of a procurement officer, to affirm the decision unless the decision is shown by clear and convincing evidence to be arbitrary, capricious, fraudulent, or clearly erroneous.

Your Committee received testimony in support of this measure from the Building Industry Association of Hawaii; S&M Sakamoto, Inc.; Royal Contracting Co., Ltd.; Ralph S. Inouye Co., Ltd.; and the General Contractors Association of Hawaii. Testimony in opposition to this measure was submitted by the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs.

Your Committee finds that the intent of this measure is to simplify and expedite the procurement appeals process by recognizing the procuring agency's experience and expertise in the procurement process, while preserving the right of review of a procuring agency's decision to the Department of Commerce and Consumer Affairs. This measure retains a bid protester's right to a hearing before the Office of Administrative Hearings, but limits the hearing officer's review to evidence and issues raised in the proceedings before the procuring agency.

Your Committee notes the concerns raised by the Office of Administrative Hearings. The Office stated that it did not believe that changing the existing de novo review process was warranted and that the hearing procedures proposed in this measure would lead to

substantial delays at the agency level before a procurement protest is ever filed and inadequate time to review an agency's decision. The Office stated its support for the provisions under H.B. No. 1671, H.D. 1, Regular Session of 2011, which was proposed by the State Procurement Office after conducting a survey of a large group of stakeholders involved in procurement.

Your Committee has amended this measure by:

- (1) Adding language from H.B. No. 1671, H.D. 1, Regular Session of 2011, to:
 - (A) Require the State Procurement Office to keep statistics on protested solicitations and awards to improve procurement procedures;
 - (B) Impose time limits on rendering administrative and judicial review decisions;
 - (C) Limit protests to be heard by a hearings officer to those protests concerning matters of a certain threshold of estimated value to discourage minor complaints; and
 - (D) Require the posting of a protest bond, which shall be forfeited if the protesting party does not prevail;
- (2) Inserting an effective date of July 1, 2050, to ensure 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. 2457, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2457, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 2616 Public Safety, Government Operations, and Military Affairs on S.B. No. 3025

The purpose and intent of this measure is to clarify that certain county affordable housing requirements shall not impair, restrict, or condition a county's obligation to issue affordable housing credits to the Department of Hawaiian Home Lands or to apply credits in satisfaction of all county requirements.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands. Testimony in opposition was received from the City and County of Honolulu Department of Planning and Permitting and three individuals. Comments were received from the Attorney General.

Act 141, Session Laws of Hawaii 2009, requires each county to issue transferable affordable housing credits to the Department of Hawaiian Home Lands with respect to existing and future Hawaiian home lands projects upon a request for such credits by the Department of Hawaiian Home Lands. The credits shall be issued on a one-unit for one-unit basis. The credits may be applied county-wide within the same county in which the credits were earned to satisfy affordable housing obligations imposed by the county on market-priced residential and non-residential developments.

According to testimony, since the passage of Act 141, the Department of Hawaiian Home Lands has worked with each county to request and acquire affordable housing credits for completed units in its homestead communities. Affordable housing credits have afforded the Department greater opportunities to develop homesteads, which ultimately results in returning more native Hawaiians to public trust lands. The intent of this measure is to increase the potential value of the credits by prohibiting county limitations relating to application of the credits.

Your Committee has amended this measure on the recommendation of the Department of Hawaiian Home Lands and Department of the Attorney General, by:

- (1) Requiring that affordable housing credits be issued for each single-family residence, multi-family unit, other residential unit, or if allowed under the county's affordable housing programs, vacant lot, developed by the Department of Hawaiian Home Lands under specified conditions and requirements;
- (2) Clarifying that credits shall be freely transferrable;
- (3) Deleting the requirement that credits be issued on a one-unit for one-unit basis;
- (4) Specifying that credits originally issued to the Department of Hawaiian Home Lands under this section shall not be subject to any county restrictions regarding the application of credits toward affordable housing obligations; and
- (5) Defining "affordable housing obligation" to mean the requirement imposed by a county to develop vacant lots, single-family residences, multi-family residences, or any other type of residence for sale or rent to individuals within a specified income range.

Discussions among your Committee members on this amended measure indicates there is an issue concerning the provision, "All units or lots developed by the department shall be treated as for-sale units or lots." It is the understanding of your Committee that "treated as for-sale", though lots are technically leased for a period of ninety-nine years, does not mean an actual fee-simple sale of the lots, which would decimate the Hawaiian home lands inventory. Your Committee's intent regarding that language is that the lots are to be considered as "for sale" only for purposes of county affordable housing requirements for various reasons, but in actuality lots are leased.

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. 3025, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3025, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5, Ayes with Reservations (Ryan). Noes, none. Excused, none.

SCRep. 2617 Commerce and Consumer Protection on S.B. No. 2108

The purpose and intent of this measure is to limit the retail services for which the Public Utilities Commission's approval must be obtained by a telecommunications carrier that desires to charge a higher rate than the approved tariff to basic exchange services.

Your Committee received testimony in support of this measure from Hawaiian Telecom and one individual. Your Committee received testimony in opposition to this measure from the Division of Consumer Advocacy.

Your Committee finds that dramatic technological changes within the telecommunications industry have resulted in increased telecommunications options for consumers. Your Committee further finds that this measure will continue the State's efforts to level the regulatory playing field in the retail services telecommunications market, ensure that Hawaii consumers needing basic retail phone service have their rates protected, and ensure overall that consumers are served by a telecommunications marketplace in which all carriers can compete fairly and equitably.

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. 2108, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Green, Taniguchi, Slom).

SCRep. 2618 (Joint) Commerce and Consumer Protection and Ways and Means on S.B. No. 3003

The purpose and intent of this measure is to:

- (1) Allow geothermal resources exploration and geothermal resources development in all state land use districts and all zones of the conservation district; and
- (2) Repeal the geothermal resource subzone provisions in the state land use law.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and Ormat Technologies, Inc. Your Committees received testimony in opposition to this measure from the Office of Hawaiian Affairs and one individual. Your Committees received comments on this measure from the Environmental Center at the University of Hawaii.

Your Committees find that the cost of electricity in the State of Hawaii exceeds the costs of electricity in every other state. Reducing electricity costs depends in part on diversifying the energy sources within the State. Geothermal energy is a firm source of indigenous, renewable energy that could be made available at low costs.

Your Committees note that geothermal energy production has proven to be commercially viable. A private company located in Puna has operated a geothermal energy facility for over a decade. By eliminating geothermal subzone designation requirements, this measure would create a regulatory environment that enables geothermal energy enterprises to thrive, geothermal energy production to expand, and energy costs for consumers to decrease.

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. 3003, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 16, Ayes with Reservations (Tokuda). Noes, none. Excused, 4 (Chun Oakland, Espero, Kim, Wakai).

SCRep. 2619 Commerce and Consumer Protection on S.B. No. 2106

The purpose and intent of this measure is to:

- (1) Require health insurers to provide outpatient prescription drug coverage;
- (2) Prohibit health insurers, other than mutual benefit societies, from requiring coinsurance as a basis for cost sharing with the insured for outpatient prescription drug coverage; and
- (3) Limit the amount of copayment that an insured must pay for outpatient prescription drugs.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association, Hawaii Academy of Physician Assistants, American Cancer Society, Faith Action for Community Equity (FACE), GBS/CIPD Foundation International, Neuropathy Action Foundation, Power of Pain Foundation, and one individual. Your Committee received comments on this measure from the Department of Budget and Finance and Kaiser Permanente.

Your Committee finds that outpatient drug therapy is critical to quality care in an efficient health care system. This measure makes prescription drugs more affordable and accessible to the State's residents by prohibiting coinsurance for certain insureds and limiting the amount an insured must pay for prescription drugs.

Your Committee has amended this measure by:

- (1) Deleting provisions that:
 - (A) Prohibit individual and group accident and health or sickness policies, contracts, plans, and agreements from requiring coinsurance as a basis for cost sharing and from requiring a copayment in excess of \$150 for a one-month supply of a prescription drug; and

- (B) Include the costs for covered outpatient prescription drugs in any limit of a member's out-of-pocket expenses;
- (2) Deleting the definitions of "coinsurance" and "copayment";
 - (3) Deleting language stating that this measure shall not be construed to require an individual and group accident and health or sickness policy, contract, plan, or agreement to provide coverage not otherwise required by law for any outpatient prescription drug; and
 - (4) Making technical, nonsubstantive amendments for the purpose of clarity and consistency.

Your Committee finds that this measure, as amended, requires all health insurers in Hawaii to provide the same level of benefits and coverage for outpatient prescription drugs, thus promoting fair competition in the insurance marketplace.

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. 2106, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2106, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Taniguchi, Slom).

SCRep. 2620 Commerce and Consumer Protection on S.B. No. 2798

The purpose and intent of this measure is to require all commercial health care insurers operating in Hawaii to share with the Department of Human Services a listing of the insurers' members in order to make determinations regarding Medicaid eligibility.

Your Committee received testimony in support of this measure from the Department of Human Services. Your Committee received testimony in opposition to this measure from the Hawaii Association of Health Plans. Your Committee received comments on this measure from the Hawaii Medical Service Association.

Your Committee finds that this measure requires health care insurers in Hawaii to share a listing of their members on a quarterly basis. This will enable the Department of Human Services to determine Medicaid eligibility and continuing eligibility for Medicaid recipients on a timely basis. Your Committee notes that once the Department of Human Services has converted its eligibility system to an electronic format, it will be easier and more efficient for the Department of Human Services to work with the health plan to access the necessary member information.

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. 2798, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

SCRep. 2621 Commerce and Consumer Protection on S.B. No. 2968

The purpose and intent of this measure is to allow motor vehicle insurers to offer insurance premium discounts for completion of a driver safety course or driver improvement course.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and one individual.

Your Committee finds that this measure offers incentives for policyholders to take driver safety courses or driver improvement courses. Your Committee further finds that this measure currently creates an exception to prohibited discriminatory practices, which may create confusion, and concludes that the incentive proposed by this measure would be more appropriate as a new section in article 10C, chapter 431, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Amending the provision establishing the driver safety course or driver improvement course incentive by adding the provision as a new section in article 10C, chapter 431, Hawaii Revised Statutes, rather than amending existing section 431:10C-207, Hawaii Revised Statutes;
- (2) Amending language that a discount may be offered to insureds, and not drivers, who complete a driver safety course or driver improvement course, to clarify that the policyholder is the individual who must complete the driver safety course or driver improvement course; 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. 2968, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2968, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Taniguchi, Slom).

SCRep. 2622 Ways and Means on S.B. No. 2272

The purpose and intent of this measure is to appropriate funds for the construction of a vapor heat treatment facility on the island of Hawaii at a location to be determined by the Agribusiness Development Corporation.

Written comments in support of this measure were submitted by the Agribusiness Development Corporation.

Written comments in opposition to this measure were submitted by ILWU Local 142 and two individuals.

Your Committee finds that tropical fruits cannot be transported from Hawaii to the United States mainland or exported to other countries without quarantine unless first treated to prevent the entry of fruit flies. Your Committee notes that vapor heat is a United States Department of Agriculture approved nonchemical fruit fly treatment.

Your Committee finds that this measure will provide additional tropical fruit post-harvest treatment capacity on the island of Hawaii and will facilitate the ability of local fruit farmers to compete in a global market.

Your Committee has amended this measure by:

- (1) Changing the means of financing the construction of the vapor heat treatment facility from general funds to general obligation funds; and
- (2) Deleting the specific appropriation amount in Section 2 of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2272, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2272, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kim).

SCRep. 2623 (Majority) Ways and Means on S.B. No. 2762

The purpose and intent of this measure is to increase the protection of consumers who use money transmission services by authorizing the Commissioner of Financial Institutions to require businesses and persons conducting money transmissions to register with a national organization. This measure also increases money transmitter licensing fees to reflect regulatory expenses.

Your Committee finds that there is the potential for money transmitters to defraud consumers by not transmitting the deposited money to the requested location. Some money transmitters also may be unknowingly laundering money due to ignorance of the law. Your Committee finds that increased regulation of money transmitters is appropriate and that increasing licensing fees will offset the expenses incurred by the Division of Financial Institutions due to the increased regulation.

Your Committee has amended this measure by:

- (1) Changing “money transmitter” and “licensed money transmitter” to “licensee” for clarity and consistency with the definitions in section 489D-4, Hawaii Revised Statutes;
- (2) Changing “Nationwide Mortgage Licensing System” to “Nationwide Mortgage Licensing System and Registry” to reflect the organization’s full name;
- (3) Changing the effective date to July 1, 2050, to promote 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. 2762, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2762, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13, Ayes with Reservations (Chun Oakland). Noes, 1 (Slom). Excused, none.

SCRep. 2624 Ways and Means on S.B. No. 2433

The purpose and intent of this measure is to require the permitting and inspection of ziplines and canopy tours in Hawaii.

Written comments in opposition to this measure were submitted by the Department of Labor and Industrial Relations.

Your Committee finds that canopy tours and ziplines are popular amusements that are enjoyed by Hawaii’s residents and visitors alike. However, your Committee also finds that these activities involve suspending participants high above the ground, and as such, there is an inherent risk to participants. Your Committee finds that the establishment of safety standards and regulations for the structure, operation, and maintenance of canopy tours and ziplines, including requiring annual inspections, will help to ensure the safety of these facilities.

Your Committee has amended this measure by:

- (1) Specifying that the operator of a canopy tour or zipline shall not be liable for any injury, loss, or damages that result from a participant engaging in certain prohibited activity under this measure;
- (2) Requiring that rules adopted by the Department of Labor and Industrial Relations make the issuance of a permit to a zipline or canopy tour operator contingent upon the certification by a qualified engineer regarding the integrity of the design, structures, and anchoring systems of the zipline or canopy tour for which the permit is sought; 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. 2433, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2433, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2625 Ways and Means on S.B. No. 2767

The purpose and intent of this measure is to update the Insurance Code to conform with the National Association of Insurance Commissioners' model acts relating to guaranty associations.

Written comments in support of this measure were submitted by the Insurance Commissioner, Department of Commerce and Consumer Affairs; Hawaii Insurance Guaranty Association; and Hawaii Life and Disability Insurance Guaranty Association. Written comments on this measure were submitted by the American Insurance Association.

Your Committee finds that this measure will provide greater uniformity and coordination among Hawaii's various guaranty associations. Your Committee further finds that this measure will provide additional benefits to consumers and will assist the Hawaii Guaranty Association system in fulfilling its statutory mandate of protecting Hawaii policyholders and consumers.

Your Committee has amended this measure by:

- (1) Requiring approval by a court of the State, instead of a court of competent jurisdiction, prior to imposing permanent policy or contract liens in connection with any guarantee, assumption, or reinsurance agreement, or imposing temporary moratoriums or liens on payments of cash values and policy loans;
- (2) Preserving the requirement in section 431:16-212(g), Hawaii Revised Statutes, that the Board of Directors of the Hawaii Life and Disability Insurance Guaranty Association prepare a report to the Insurance Commissioner regarding the history and causes of any insurer insolvency in which the guaranty association was obligated to pay covered claims; 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. 2767, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2767, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2626 Ways and Means on S.B. No. 2784

The purpose and intent of this measure is to

- (1) Make general fund appropriations for fiscal years 2011-2012 and 2012-2013 to recapitalize the emergency and budget reserve fund; and
- (2) Make general fund appropriations for fiscal years 2011-2012, 2012-2013, and 2012-2014 to recapitalize the Hawaii hurricane relief fund.

Your Committee finds that due to the State's economic downturn, using funds from the emergency and budget reserve fund and the Hawaii hurricane relief fund were necessary to maintain essential public health, public welfare, and education programs. Your Committee also finds that these funds need to be recapitalized.

Your Committee has amended this measure by:

- (1) Deleting references to fiscal years in sections 2 and 3; and
- (2) Making technical nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2784, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2784, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2627 Ways and Means on S.B. No. 2770

The purpose and intent of this measure is to:

- (1) Clarify and strengthen the enforcement provisions that apply to out-of-state collection agencies that are designated by the Department of Commerce and Consumer Affairs as exempt from licensure under Chapter 443B, Hawaii Revised Statutes; and
- (2) Increase fines for collection agencies governed under Chapter 443B, Hawaii Revised Statutes.

Written comments in support of this measure were submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that the number of exempt out-of-state collection agencies operating in the State has more than doubled since 2004, while the number of registered collection agencies has remained relatively stable. This measure would strengthen the ability of the Department of Commerce and Consumer Affairs to oversee the growing number of exempt out-of-state collection agencies and provide adequate safeguards for Hawaii consumers.

Your Committee has amended this measure by:

- (1) Adding a savings clause to clarify the applicability of the measure to matters preceding its effective date;
- (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. 2770, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2770, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2628 Ways and Means on S.B. No. 2399

The purpose and intent of this measure is to create a pilot program for the creation of urban art under the direction of the Hawaii State Foundation on Culture and the Arts.

Your Committee received written comments on this measure from the Hawaii State Foundation on Culture and the Arts.

Your Committee finds that graffiti is a problem throughout most communities in the State and despite efforts to stop it, the problem persists. Your Committee further finds that if individuals are given an opportunity to create certain types of urban art on public property, these individuals may be less likely to create graffiti illegally. Others may also be less inclined to place graffiti over works of urban art.

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. 2399, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2399, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12, Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Ryan).

SCRep. 2629 Ways and Means on S.B. No. 2655

The purpose and intent of this measure is to establish standards, fees, and penalties relating to the sale of portable electronics insurance in the State.

More specifically, this measure:

- (1) Requires vendors to hold a limited lines license to sell or offer coverage under a policy of portable electronics insurance;
- (2) Establishes sanctions for violations; and
- (3) Establishes licensing fees.

Your Committee finds that there is currently no statutory regulation of the provision of portable electronics insurance. This measure establishes a regulatory framework that provides important consumer protections and meaningful disclosures.

Your Committee has amended this measure by:

- (1) Amending the title of section 431: -106 to more accurately reflect the section's provisions, which include not only the termination, but also the modification of portable electronics insurance terms and conditions; 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. 2655, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2655, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14, Ayes with Reservations (Slom). Noes, none. Excused, none.

SCRep. 2630 (Majority) Ways and Means on S.B. No. 2226

The purpose and intent of this measure is to:

- (1) Amend 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) Establish a committee to oversee the Department of Taxation's implementation and administration of, and compliance with the Streamlined Sales and Use Tax Agreement.

Written comments in support of this measure were submitted by the Hawaii Government Employees Association, Retail Merchants of Hawaii, Hawaii Association of Realtors, and Walgreen Company.

Your Committee finds that Hawaii's use tax, enacted as Chapter 238, Hawaii Revised Statutes, has been in statute for over forty years and is similar to use tax laws in forty-five other states. Your Committee also finds that most Hawaii consumers are not aware that they owe the State a four per cent tax on their out-of-state purchases via catalog, direct mail, or the Internet. Your Committee finds that it is virtually impossible for the Department of Taxation to calculate and collect the use taxes that individual taxpayers owe on those purchases.

Your Committee finds that the Streamlined Sales and Use Tax Agreement is the result of a cooperative effort of forty-four states, the District of Columbia, local governments, and the business community to simplify sales and use tax collection and administration by retailers and states. Your Committee believes that this measure will bring Hawaii's tax law into compliance with the Streamlined Sales and Use Tax Agreement, and allow the State to begin collecting use taxes that are currently going uncollected on the majority of out-of-state purchases.

Your Committee has amended this measure by:

- (1) Clarifying that the taxation of the sales of prepaid telephone calling services shall be primarily governed by the new section A-13, Hawaii Revised Statutes, created by this measure;
- (2) Making various conforming amendments to update cross-references to sections of the Hawaii Revised Statutes that are amended or repealed by this measure;
- (3) Clarifying the purposes for which the Department of Taxation is required to secure services to support the Streamlined Sales and Use Tax Agreement by including a definition of the term "project"; and
- (4) 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. 2226, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2226, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Ryan). Noes, 1 (Slom). Excused, none.

SCRep. 2631 Ways and Means on S.B. No. 2563

The purpose and intent of this measure is to:

- (1) Make the State's Chief Information Officer, rather than the Department of Budget and Finance, responsible under section 36-2.5, Hawaii Revised Statutes, for establishing and maintaining:
 - (A) A searchable website for the posting of state awards; and
 - (B) A pilot program concerning collecting data and reporting requirements for subgrants, subcontracts, and subawards;
- (2) Change the deadline for establishing the searchable website from January 1, 2009, to January 1, 2013; and
- (3) Change the dates for the duration of the pilot program from July 1, 2008, through January 1, 2010, to January 1, 2014, through July 1, 2015.

Your Committee received written comments in support of this measure from the Office of Information Management and Technology.

Your Committee finds that this measure furthers the State's Chief Information Officer's strategic vision of leveraging technological investments to increase government transparency.

Your Committee has amended this measure by:

- (1) Adding a clarifying reference to section 27-43, Hawaii Revised Statutes, wherein the position of the Chief Information Officer is established; 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. 2563, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2563, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 2632 Ways and Means on S.B. No. 2774

The purpose and intent of this measure is to simplify and reduce costs associated with the printing and distribution of state and county publications in response to changes in technology.

The measure also requires the Chief Information Officer of the State, in consultation with others, to review requirements necessary to implement a program to make all state and county publications available online and to report to the Legislature prior to the 2013 regular session.

Written comments in support were submitted by the Office of Information Management and Technology and one individual.

Your Committee finds that reducing the number of copies required for distribution from fifteen to seven will reduce government expenses by decreasing costs associated with printing and delivery of the publications. Your Committee also finds that making state and county publications available online will promote government transparency, increase public access to information, and preserve documents for future reference and analysis.

Your Committee has amended this measure by:

- (1) Changing "Hawaiian statutes" to "Hawaii Revised Statutes";
- (2) Changing "supreme court reports" to "Hawaii reports" to refer to all appellate reports; 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. 2774, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2774, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2633 Ways and Means on S.B. No. 2235

The purpose and intent of this measure is to incorporate the recommendations of the Hawaii Broadband Task Force in the Hawaii State Plan (Chapter 226, Hawaii Revised Statutes) to promote broadband services as critical infrastructure for communications.

Written comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism and the University of Hawaii.

Your Committee finds that this measure is in alignment with the Governor's Hawaii Broadband Initiative. Encouraging broadband communication development is important to the State's educational, economic, social, cultural, and healthcare services well-being, and this measure establishes a forward-looking vision for the State's economy to become globally competitive.

Your Committee has amended this measure by:

- (1) Clarifying that the Department Business, Economic Development, and Tourism's annual report to the Governor and the Legislature shall be submitted not later than twenty days prior to the convening of each Regular Session of the Legislature from the years 2013 to 2020; 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. 2235, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2235, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2634 Ways and Means on S.B. No. 2678

The purpose and intent of this measure is to preserve the World War II internment and prisoner of war camp situated in Honouliuli.

Specifically, the measure:

- (1) Provides state support towards preservation of the site of the World War II internment and prisoner of war camp in Honouliuli;
- (2) Establishes a mechanism to leverage county, state, federal, and private funding of an educational resource center at the site; and
- (3) Memorializes the struggle for civil rights by Hawaii's people.

Your Committee received written comments in support of this measure from the Hawaii Civil Rights Commission; and Historic Hawaii Foundation.

Your Committee finds that until recently, little was known about the location of World War II Japanese internment camps in Hawaii, and many people were unaware that any internment camp sites remained in the State. The Japanese Cultural Center of Hawaii began researching these sites over ten years ago in an effort to determine where these camps were located and what, if any, evidence of them remains. Various archaeological surveys determined the location, significance, historic properties, and area boundary of the Honouliuli site, and after conducting an archaeological survey of the former internment camp site, the Honouliuli site was designated on the Hawaii Register of Historic Places in 2009.

Your Committee further finds that the Japanese Cultural Center of Hawaii has been working with various organizations to preserve and memorialize the Japanese internment camp experience in Hawaii. Your Committee understands that the National Park Service has awarded grant money to Hawaii-based organizations to fund work to preserve and interpret Japanese internment camp sites throughout the State. Your Committee further finds that these efforts should be expanded with additional support from the State to help bring the history of Hawaii's wartime experience to life for residents and visitors.

Your Committee notes that various issues regarding the advisory group are not addressed in the measure, including:

- (1) The number of members to be appointed to the advisory group by the Speaker of the House of Representatives and the President of the Senate;
- (2) Whether the members of the advisory group should represent certain interest groups or stakeholders;
- (3) Whether the advisory group should have a chairperson and how the chairperson should be chosen; and
- (4) Issue relating to the frequency and location of the advisory group meetings.

Your Committee requests that the proponents of the measure address these issues in future testimony presented to the Legislature on this measure.

Your Committee has amended this measure by:

- (1) Changing the appropriation amounts to unspecified sums;
- (2) Providing that a representative from the Department of Land and Natural Resources State Historic Preservation Division be included in the advisory group; and
- (3) 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. 2678, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2678, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2635 Ways and Means on S.B. No. 2941

The purpose and intent of this measure is to:

- (1) Extend the income tax credit for qualified research activities for an additional five years; and
- (2) Add extensive reporting requirements related to the tax credit.

Written comments on this measure were submitted by the Hawaii Strategic Development Corporation; the High Technology Development Corporation; and the Tax Foundation of Hawaii.

Your Committee finds that fostering and encouraging innovation is essential to a comprehensive economic strategy for the State. Innovation is essential for creating new jobs in both high technology and traditional sectors. Your Committee also finds that research and development activities are critical to stimulate an innovation economy.

Your Committee finds that the state tax credit for research activities was an effective measure to support research and development activities. Your Committee also finds that the tax credit has been a great source of support for local research and development companies, especially early-stage research and development companies that are not yet profitable and have few sources of funding. Extending this tax credit will provide critical support to research activities in the State.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2941, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2941, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2636 Ways and Means on S.B. No. 2528

The purpose and intent of this measure is to transfer the Hawaii 3T's School Laboratories Fund from the Department of Education to the Department of Business, Economic Development, and Tourism.

Written comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism, and two individuals.

Your Committee finds that the Economic Development Alliance of Hawaii, Inc., and the Department of Business, Economic Development, and Tourism share similar goals for deploying technology and broadband capabilities in the State.

Your Committee further finds that this measure expands the description of computer labs to support multi-disciplinary courses of study, expands definitions, increases revenue streams, and demonstrates the State's commitment to providing enhanced technology resources and broadband capabilities to develop technology-based industries.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to promote further discussion of this measure; and
- (2) Making technical nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2528, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2528, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Ryan).

SCRep. 2637 (Majority) Ways and Means on S.B. No. 2534

The purpose and intent of this measure is to establish a school facilities special fund, into which shall be deposited income generated by the Public Land Development Corporation from public school lands and facilities, to be used for:

- (1) The new construction and upgrade of twenty-first century school facilities; and
- (2) The retrofit and upgrade of existing school facilities to meet twenty-first century school standards.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that the design and condition of school facilities have a significant impact on learning, quality of teaching, and community support. This measure provides the economic means for schools to be constructed or upgraded in an educationally appropriate, community focused, energy efficient, sustainable, and environmentally friendly manner.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making a technical nonsubstantive amendment for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2534, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2534, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kim).

SCRep. 2638 Ways and Means on S.B. No. 2654

The purpose and intent of this measure is to specify that appropriations to the EDN 100 school-based budgeting program identifier shall not be transferred to any other program identifier of the Department of Education.

Written comments opposing this measure were submitted by the Department of Education.

Your Committee finds that this measure clarifies that the funds appropriated by the Legislature to the EDN 100 school-based budgeting program identifier are for the sole use of the EDN 100 budgeting identifier program.

Your Committee has amended this measure by:

- (1) Providing an exception that in the event of receiving unanticipated federal grant funds expended under EDN 100, the Department of Education may transfer a general fund amount out of the EDN 100 school-based program identifier, not to exceed the amount of the federal grant, to other programs to address unforeseen funding shortfalls; 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. 2654, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2654, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2639 Ways and Means on S.B. No. 2666

The purpose and intent of this measure is to encourage biofuel production in the State.

Specifically, the measure:

- (1) Encourages the development and construction of biofuel production facilities in Hawaii by creating an income tax credit for investments in the construction and development of biofuel production facilities in the State;
- (2) Requires a recipient of the biofuel production facility income tax credit to repay the full amount of any tax credit earned and claimed in one payment, to be made within the tenth taxable year after the recipient receives the final biofuel production facility income tax credit; and
- (3) Clarifies the circumstances under which an environmental assessment is required for an action proposing an oil refinery, by adding a new definition of oil refinery.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism; and Tax Foundation of Hawaii.

Your Committee finds that the long-term benefits of a locally situated biofuel production facility are worth the short-term costs associated with the development and construction of such a facility.

Your Committee has amended this measure by:

- (1) Providing a separate definition for the term “capital expenditures”; 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. 2666, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2666, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2640 (Majority) Ways and Means on S.B. No. 2822

The purpose and intent of this measure is to establish a task force to recommend a workable electric devices recycling program.

Your Committee received written comments in support of this measure from Goodsill Anderson Quinn and Stifel; and Retail Merchants of Hawaii. Your Committee received written comments from Tech America.

Your Committee finds that disposal of consumer electric products into Hawaii’s limited landfills have the potential to cause environmental damage. Authorizing stakeholders to study electric device recycling and present recommendations will assist in securing a viable outcome agreeable to all parties involved in the sale, use, and disposal of electric devices while protecting the environment.

Your Committee has amended this measure by:

- (1) Clarifying that the Director of Health shall be the designating authority for various members of the task force;
- (2) Adding that the task force report to the Legislature shall include proposed legislation, if any; 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. 2822, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2822, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Slom). Excused, none.

SCRep. 2641 Ways and Means on S.B. No. 2936

The purpose and intent of this measure is to authorize the Department of Human Services to draw from other funds appropriated to the department if general assistance funds are insufficient to meet the needs of the general assistance benefits programs.

Written comments in support of this measure were submitted by the Department of Human Services, Catholic Charities Hawaii, Legal Aid Society of Hawaii, and one individual.

Your Committee finds that because the needs of general assistance benefits programs are so high, there are times when the funds are insufficient to meet the needs of the programs. Your Committee also finds that authorizing the Department of Human Services to draw from other funds that are appropriated to the department allows uninterrupted general assistance payments.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to promote further discussion of this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2936, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2936, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kim).

SCRep. 2642 Ways and Means on S.B. No. 2813

The purpose and intent of this measure is to require that all moneys collected by the Disability and Communication Access Board be placed into the disability and communication access board special fund.

Your Committee finds that the Disability and Communication Access Board is exploring other forms of revenue in light of a decline in general fund appropriations. This measure will provide the Disability and Communication Access Board with increased revenues and greater flexibility to defray the costs of performing the duties of the Board.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to promote further discussion; and
- (2) Making a technical nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2813, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2813, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2643 Ways and Means on S.B. No. 2319

The purpose and intent of this measure is to better assist individuals facing or experiencing homelessness by funding various homeless and housing programs.

Your Committee received written comments in support of this measure from Catholic Charities Hawaii; Hawaii Disabilities Rights Center; Leeward Housing Coalition; United Self Help; International Game Developers Association Honolulu; Hawaii Catholic Conference; and one individual. Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Human Services; and Partners in Care.

Your Committee finds that homelessness continues to be one of the State's most significant and challenging social problems. According to a recent report, fourteen thousand two hundred homeless individuals were served through shelter and outreach programs in fiscal year 2011. Your Committee notes that homeless service providers estimate that six thousand homeless people in the State need shelter each night. To continue to address the problem of homelessness, adequate funding and coordinated efforts at all levels are necessary.

Your Committee has amended this measure by:

- (1) Changing the appropriation and subsidy amounts to unspecified sums to facilitate further discussions; and
- (2) Making technical nonsubstantive amendments for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2319, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2319, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

SCRep. 2644 (Majority) Ways and Means on S.B. No. 2466

The purpose and intent of this measure is to ensure access to health care for medicaid recipients by establishing a nursing facility sustainability fee and a special fund to receive moneys from the nursing facility sustainability fee in order to receive federal medicaid matching funds under the QUEST expanded medicaid section 1115 demonstration waiver.

Your Committee received written comments in support of this measure from the Department of Human Services. Your Committee received written comments on this measure from the Department of Budget and Finance; and Hawaii Health Systems Corporation.

Your Committee finds that federal funding to help financially sustain Hawaii's long-term care facilities may be accessed through a provider fee. Your Committee further finds that provider fees exist in forty-six states and the District of Columbia. In Hawaii, provider fees would increase medicaid payments at a time when constraints on the State's budget have forced a reduction in payments and benefits. The additional federal funds obtained via the fee program would reduce the amount of losses incurred by nursing facilities.

Your Committee notes that this measure requires the Department of Human Services to consult with specific, named private entities prior to making certain determinations. There are concerns that this requirement may violate the Equal Protection Clauses of the United States and Hawaii Constitutions. Accordingly, your Committee intends to consult with the Attorney General's office or the Senate Majority Attorney on this issue.

Your Committee has amended this measure by:

- (1) Placing the new chapter established by this measure in Title 20, Hawaii Revised Statutes; 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. 2466, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2466, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

SCRep. 2645 Ways and Means on S.B. No. 2308

The purpose and intent of this measure is to appropriate funds to the Executive Office on Aging of the Department of Health to administer a public education and awareness campaign on long-term care, and obtain an evaluation of the campaign.

Written comments in support of this measure were submitted by the Policy Advisory Board for Elder Affairs and Hawaii Alliance for Retired Americans. Written comments were submitted by the Executive Office on Aging.

Your Committee finds that a campaign targeted towards persons between the ages of forty-five and sixty-four about the risks of not planning for long-term care, and maximizing the length of independent living, will increase awareness of the importance of long-term care planning.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2308, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2308, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

SCRep. 2646 Ways and Means on S.B. No. 2591

The purpose and intent of this measure is to facilitate the recognition of Children and Youth Day and Month.

Specifically, this measure designates:

- (1) The Capitol grounds as the location for Children and Youth events;
- (2) The first Sunday in October as the date for public events celebrating Children and Youth Day; and
- (3) The month of October for other Children and Youth public events.

Your Committee received written comments in support of this measure from the Hawaii Youth Services Network.

Your Committee finds that Children and Youth Day is an extremely successful event, attracting over thirty thousand participants who learn about parenting, the environment, healthy lifestyles, and the legislative process. Children and Youth Day 2011 attracted over two hundred fifty organizations spread across the grounds of the State Capitol, Honolulu Hale Civic Center, the Department of Health building, Iolani Palace, Washington Place, and on Punchbowl Street.

Your Committee has amended this measure by:

- (1) Clarifying that Children and Youth events shall be held in the area of the State Capitol, including on and around the grounds of the State Capitol; and
- (2) Making technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2591, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2591, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2647 Ways and Means on S.B. No. 2806

The purpose and intent of this measure is to provide the Board of Directors of the Hawaii Public Housing Authority with the power to set the salary of the Authority's Executive Director at a level commensurate to the position's public and private sector counterparts and in compliance with federal guidelines.

Your Committee received written comments in support of this measure from the Department of Human Services and the Hawaii Public Housing Authority.

Your Committee finds that on August 26, 2011, the United States Department of Housing and Urban Development, Office of Public and Indian Housing issued notice PIH-2011-48 (HA) specifying considerations applicable to the compensation of the Executive Director of the Hawaii Public Housing Authority. Your Committee finds that the amendments to section 356D-2(b), Hawaii Revised Statutes, will allow the Board of the Hawaii Public Housing Authority to comply with the requirements of the notice, ensure that the Executive Director's compensation remains completely federally funded, and prevent other monetary sanctions from being imposed for failure to comply with the notice.

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. 2806, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2806, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

SCRep. 2648 Ways and Means on S.B. No. 2309

The purpose and intent of this measure is to provide incentives for individuals to obtain long-term care insurance, by requiring the Department of Human Services to establish a program that partners with the federal government to allow individuals who purchase and maintain a qualifying long-term care insurance policy to receive medicaid benefits, even if the individual has assets that would ordinarily disqualify the individual from receiving these benefits.

Your Committee received written comments in support of this measure from a concerned individual. The Department of Human Services submitted written comments in opposition to this measure.

Your Committee finds that this measure is intended to reduce future medicaid costs and eliminate dependence on medicaid by encouraging individuals to insure against the potentially high costs of long-term care.

Your Committee has amended this measure by:

- (1) Merging the definitions of “partnership” and “state medicaid agency,” as the latter term is only used in the definition of “partnership”;
- (2) Clarifying that the exemption from medicaid benefit disqualifications based on an individual’s assets also applies to individuals who have not yet received medicaid benefits; 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. 2309, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2309, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12, Ayes with Reservations (Kidani). Noes, none. Excused, 2 (English, Kouchi).

SCRep. 2649 Ways and Means on S.B. No. 2595

The purpose and intent of this measure is to ensure access to early intervention services to meet the needs of infants and toddlers.

Specifically, this measure:

- (1) Requires the Department of Health or any other department or office responsible for providing early intervention services to maintain the eligibility criteria or the scope of covered services for early intervention services at a minimum of the same level that was in effect on January 1, 2012;
- (2) Allows children who were eligible as of January 1, 2012, to remain eligible for early intervention services under certain circumstances;
- (3) Allows, rather than requires, the Department to establish a family cost participation schedule for early intervention services, which may include a sliding fee schedule; and
- (4) Allows the Department to include in its contracts with early intervention service providers a provision that requires the provider to provide early intervention services on a fee-for-service basis, at a rate no higher than the amount the provider would have been reimbursed under its contract with the state contracting entity, to individuals who are ineligible under part C of the Individuals with Disabilities Education Act.

Your Committee received written comments in support of this measure from one individual. Your Committee received written comments in opposition to this measure from the Department of Health.

Your Committee finds that last year, the Department of Health changed the eligibility standard for children who would qualify for early intervention services. This change is projected to result in twenty-five per cent fewer infants and toddlers receiving early intervention services, including physical, occupational, and speech therapy. Your Committee further finds that this measure will help to ensure that early intervention services, which are vitally important to the development and lifetime opportunities of infants and toddlers with special needs, remain available to those most in need.

Your Committee has amended this measure by:

- (1) Clarifying that the “average” used to determine whether a child remains eligible for early intervention services is the “population mean average”;
- (2) Changing the reference from “commercial insurers” to “private insurers”;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) 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. 2595, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2595, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

SCRep. 2650 Ways and Means on S.B. No. 2123

The purpose and intent of this measure is to assist victims of human trafficking by establishing a working group to develop a comprehensive state plan to coordinate services for survivors of human trafficking.

Written comments in support of this measure were submitted by the Department of Labor and Industrial Relations, Office of Community Services; Pacific Alliance to Stop Slavery; IMUAlliance; Hawaii Catholic Conference; Hawaii Family Forum; and one individual. Written comments on this measure were submitted by the Department of the Attorney General.

Your Committee finds that victims of human trafficking are subjected to coercion, entrapment, and exploitation that often result in physical, mental, and psychological abuse. A comprehensive plan to coordinate relevant state programs for survivors of human trafficking will help alleviate current gaps in services for this vulnerable population.

Your Committee has amended this measure by:

- (1) Deleting references to survivors of human trafficking “who are waiting for government certification as a victim of a severe form of trafficking” and located in “new and existing communities,” to more generally refer to survivors of human trafficking;

- (2) Providing that the Attorney General shall request representatives from health care providers, social service agencies, and housing providers to serve on the working group, and may select other interested stakeholders to serve as members;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure; 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. 2123, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2123, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kim).

SCRep. 2651 Ways and Means on S.B. No. 2935

The purpose and intent of this measure is to establish a public-private partnership to research, facilitate, develop, and implement a model and system of collaborative health care delivery in a county with a population between one hundred thousand and one hundred seventy thousand that moves patients, including acute care patients, efficiently, appropriately, and cost effectively throughout the continuum of care.

Written comments in support of this measure were submitted by the Mayor, Maui County; and United Public Workers. Written comments on the measure were submitted by the Maui Memorial Medical Center.

Your Committee finds that this measure will promote innovative partnerships to resolve many of the crisis-type difficulties regarding health care delivery and coordination between multiple levels of care. Your Committee further finds that such partnerships will result in appropriate discharge of patients from acute care settings into more appropriate sub-acute care settings, expanded inpatient capacity at acute care facilities, and more efficient, cost-effective quality of health care for all patients.

Your Committee has amended this measure by:

- (1) Allowing, rather than requiring, Hale Makua Health Services (Hale Makua) to become a membership corporation with Hawaii Health Systems Corporation as its sole member; and clarifying that if this occurs, the Board of Directors of Hale Makua shall be appointed by Hawaii Health Systems Corporation from a list provided by Hale Makua;
- (2) Clarifying that the rights and duties of Hawaii Health Systems Corporation that are delegated to the Maui Regional System Board of Directors are limited to those rights and duties relating to health care issues on Maui;
- (3) Authorizing the termination of the partnership between Hale Makua and Hawaii Health Systems Corporation, upon not less than one hundred eighty days notice to the presiding officers of the Legislature, if a significant change in services or a substantial change to the partnership occurs;
- (4) Changing the appropriation to an unspecified sum; 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. 2935, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2935, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14, Ayes with Reservations (Slom). Noes, none. Excused, none.

SCRep. 2652 Ways and Means on S.B. No. 2344

The purpose and intent of this measure is to appropriate funds to the Office of the Governor for operational expenses relating to the Hawaii Health Authority.

Written comments in support of this measure were submitted by a private citizen.

Your Committee finds that the Hawaii Health Authority was established in 2009 to develop a comprehensive plan to provide universal health care in Hawaii. However, its members were not appointed until 2011, and the funding provided by this measure is necessary for the Hawaii Health Authority to undertake the mission for which it was created.

Your Committee has amended this measure by deleting the specific amount to be appropriated to facilitate further discussion of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2344, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2344, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kahele, Kim).

SCRep. 2653 Ways and Means on S.B. No. 2126

The purpose and intent of this measure is to consolidate the authority, duties, responsibilities, and jurisdiction of the Department of Human Services and Department of Health, as they relate to various health care services, by transferring to the Department of Health, Office of Health Care Assurance, on July 1, 2014, the programs of the Department of Human Services relating to:

- (1) Home and community-based case management;
- (2) Community care foster family homes; and
- (3) Adult day care.

Your Committee received written comments in support of this measure from the Department of Human Services.

Your Committee finds that the Department of Health, Office of Health Care Assurance, manages state licensing and federal certification of medical and health care facilities, agencies, and services. Given the Office's existing functions, your Committee finds that certain health care services currently provided by the Department of Human Services and the Department of Health should be consolidated into one office to improve the efficiency, capacity, and quality of state health care services.

Your Committee has amended this measure by:

- (1) Adding to chapter 321, Hawaii Revised Statutes, a new part relating to adult day care, which contains the substance of chapter 346, part IV, subpart A (sections 346-81 to 346-85), Hawaii Revised Statutes, and repealing the existing subpart in chapter 346;
- (2) Deleting the duplicative and unnecessary requirement that community care foster family homes be required to reserve at least one bed for medicaid patients because they are already required to do so, by definition;
- (3) Deleting the obsolete requirement that the Department of Health establish a review board, as this task is the responsibility of the case management agencies;
- (4) Retaining the Department of Human Services' responsibility to establish standards and conduct criminal history checks in relation to purchase of service contracts and the related service providers and their employees;
- (5) Deleting references to the "retired and senior volunteer program", which was terminated in 2011 and transferred to the City and County of Honolulu;
- (6) Deleting the definition of the term "assisted living facility" because the term is already defined in section 321-15.21, Hawaii Revised Statutes; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2126, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2126, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2654 Ways and Means on S.B. No. 2582

The purpose and intent of this measure is to require that of the twenty per cent of the State's annual purchasing expenditure that is required to be set aside for small business, a combined total of not less than three per cent shall be awarded to veteran owned small businesses and service disabled veteran owned small businesses.

Written comments were submitted in opposition of this measure by the Department of Accounting and General Services.

Your Committee finds that this measure encourages the development of veteran owned and service disabled veteran owned small businesses and helps to acknowledge the sacrifices made by veterans in the service of our country.

Your Committee has amended this measure by:

- (1) Clarifying the definitions of "service disabled veteran owned small business" and "veteran owned small business" with respect to veterans "residing" in the State;
- (2) Deleting the requirement that the veteran "served for the duration of hostilities regardless of the length of the engagement" in the definition of "veteran" as unnecessary, based upon the remaining conditions under which an individual would qualify as a veteran;
- (3) Including the phrase "or aggravated" in the definition of "service connected disability" for consistency with the definition in 38 U.S.C. section 101(16); and
- (4) Making technical nonsubstantive corrections 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. 2582, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2582, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 2655 (Majority) Ways and Means on S.B. No. 2581

The purpose and intent of this measure is to improve public safety by establishing and appropriating funds for a statewide automated victim information and notification system to notify crime victims and interested individuals of changes in a criminal offender's custodial status, including when an offender is transferred to another facility or released, or has escaped from custody.

This measure also establishes a governance committee to advise the Department of Public Safety on the implementation and operation of the system.

Your Committee received written comments in support of this measure from the Department of the Prosecuting Attorney for the City and County of Honolulu.

Your Committee finds that this measure lays the foundation for a sustainable program to notify crime victims of changes in a criminal offender's custodial status, and will provide a reliable source of information that can contribute significantly to victim safety and peace of mind.

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. 2581, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2581, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, 1 (Slom). Excused, none.

SCRep. 2656 Ways and Means on S.B. No. 2776

The purpose and intent of this measure is to enhance public safety by addressing areas needing improvement in the State's criminal justice system.

Your Committee received written comments in support of this measure from the Department of Public Safety; Office of Hawaiian Affairs; Hawaii Substance Abuse Coalition; The Drug Policy Forum of Hawaii; Community Alliance on Prisons; and two individuals.

Your Committee finds that a large number of inmates are nonviolent drug offenders. Many of these inmates are denied parole due to a lack of programming and support for drug offenders. This, in turn, increases their incarceration period and related prison expenses for the State. Your Committee further finds that measures provided in this measure, including an expedited pretrial risk assessment, expanding membership of the Hawaii Paroling Authority, and requiring the use of validated risk assessments to determine which programs will provide offenders with the maximum benefit, will assist in efficiently using funds to reduce recidivism and crime in Hawaii.

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. 2776, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2776, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14, Ayes with Reservations (Slom). Noes, none. Excused, none.

SCRep. 2657 Ways and Means on S.B. No. 2489

The purpose and intent of this measure is to establish incentives for National Guard members and their employers and to expand the scope of state uses of the National Guard.

Specifically, the measure:

- (1) Establishes an employer income tax credit for taxpayers who maintain employee insurance coverage for National Guard members for the duration of the National Guard members' active duty;
- (2) Expands the powers of the Governor and Governor's designee in calling the National Guard into active duty;
- (3) Allows the Adjutant General to order the National Guard into active service for nonemergency purposes that are necessary and attendant to the mission of the Department of Defense; and
- (4) Expands the rights granted to National Guard members to incorporate rights granted under the Servicemembers Civil Relief Act and the Uniformed Services Employment and Reemployment Rights Act.

Written comments in support of this measure were submitted by the Hawaii Bankers Association and the Hawaii Financial Services Association. Written comments on this measure were submitted by the Department of Taxation.

Your Committee finds that this measure will assist members of the National Guard who are called into active service by, providing an incentive for employers to maintain employee insurance coverage for their employees who are National Guard members while they are deployed on active duty. Your Committee also finds that it is in the best interest of the State to provide the Governor and Adjutant General with greater authority to utilize the National Guard for assistance in various circumstances, including events of natural or man-made disaster.

Your Committee has amended this measure by:

- (1) Adding provisions to facilitate the claiming and administration of the tax credit established by this measure that are similar to provisions governing comparable tax credits;

- (2) Changing the effective date of the measure to July 1, 2050, to facilitate further discussion on the measure; and
- (3) 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. 2489, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2489, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2658 Ways and Means on S.B. No. 2877

The purpose and intent of this measure is to abolish the requirement that the Department of Transportation reimburse the City and County of Honolulu for operational and maintenance costs of the fire boat and to allow the Department of Transportation to have greater flexibility in the management of fire boat services.

Your Committee received written comments in support of this measure from the Honolulu Fire Department.

Your Committee finds that this measure would allow for more economical management and a more comprehensive marine emergency response program.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2877, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2877, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2659 (Majority) Ways and Means on S.B. No. 2208

The purpose and intent of this measure is to reduce pet and feral animal overpopulation and encourage pet owners to spay and neuter their animals.

Specifically, this measure:

- (1) Establishes the spay and neuter special fund, to be administered by the Department of Budget and Finance, to be used to spay and neuter feral animals, educate the public about the importance of spaying and neutering pets, and prevent homeless animal overpopulation;
- (2) Establishes an advisory committee consisting of animal rescue and care professionals to assist the Department in developing criteria for disbursing moneys from the spay and neuter special fund; and
- (3) Allows funds from a state income tax check-off to be deposited into the spay and neuter special fund.

Written comments in support of this measure were submitted by the Humane Society of the United States-Hawaii; Hui Pono Holoholona; For the Fishes; Hawaii Military Pets; and nine individuals.

Written comments on this measure were submitted by the Department of Budget and Finance and the Tax Foundation of Hawaii.

Your Committee finds that stray animals and pet overpopulation are a problem in Hawaii, resulting in animal rescue organizations across the State sheltering tens of thousands of animals each year. Your Committee finds that much of the difficulty presented by stray and homeless animals would be alleviated through a comprehensive effort to spay and neuter pets and strays. Accordingly, your Committee finds that the creation of a spay and neuter special fund to finance the sterilization of feral animals and education of pet owners will help prevent pet and stray animal overpopulation.

Your Committee has amended this measure by:

- (1) Specifying that the Director of Finance shall appoint the chairperson of the advisory committee from among the committee members and clarifying the description of the membership;
- (2) Specifying that the members of the advisory committee shall serve without pay but shall be reimbursed for expenses incurred in carrying out their duties; 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. 2208, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2208, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 1 (Slom). Excused, 4 (Dela Cruz, Kahele, Kim, Kouchi).

SCRep. 2660 Ways and Means on S.B. No. 2730

The purpose and intent of this measure is to update state laws to meet federal requirements regarding qui tam actions for false claims committed against the State. This measure also makes conforming amendments to corresponding statutes regarding false claims made to the counties.

Your Committee received written comments on this measure from the Department of the Attorney General.

Your Committee finds that this measure brings the State's false claims laws into compliance with the federal False Claims Act and provides greater protections to individuals who allege false claims made against the State.

Your Committee has amended this measure by:

- (1) Deleting Part II of this measure, which amended provisions relating to false claims to counties, as the title of this measure may not sufficiently encompass those amendments; 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. 2730, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2730, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2661 Ways and Means on S.B. No. 2967

The purpose and intent of this measure is to establish a new bargaining unit for ocean safety and water safety officers employed by the State or counties.

Your Committee received written comments in support of this measure from the Hawaiian Lifeguard Association and one individual.

Your Committee finds that ocean safety and water safety officers are currently part of a bargaining unit that includes primarily white collar workers and supervisors. Ocean safety and water safety officers possess vastly different sets of skills, including lifeguarding and first aid training, compared to white collar workers who perform clerical duties. Establishing the new bargaining unit for ocean safety and water safety officers will better address the needs of this specialized unit.

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. 2967, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2967, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Ayes with Reservations (Slom). Noes, none. Excused, none.

SCRep. 2662 (Majority) Ways and Means on S.B. No. 2220

The purpose and intent of this measure is to ensure the safety of Hawaii's residents who use boilers, elevators, escalators, moving walkways, amusement rides, and related equipment by establishing a special fund and fee schedule for the purposes of funding inspectors and staff to reduce the current inspection backlog.

Your Committee received written comments in support of this measure by the Department of Human Resources Development, Hawaii Government Employees Association, General Contractors Association of Hawaii, and International Union of Elevator Constructors.

Your Committee finds that establishing a special fund and fee schedule will increase funding to the Department of Labor and Industrial Relations to enable it to hire additional inspectors. More inspectors will mean increased safety for Hawaii residents. About seventy-five per cent of the elevators and half of the boilers in the State are operating without a current permit due to lack of available inspectors. There is also a backlog of critical load tests of elevators, internal inspections of escalators, and inspection of amusement rides.

Your Committee further finds that additional inspectors will help developers obtain building and occupancy permits faster, which, in turn, will reduce construction costs and facilitate additional construction projects.

Your Committee has amended this measure by:

- (1) Deleting the section of the measure authorizing the Director of Labor and Industrial Relations to establish ten additional positions to carry out the purposes of chapter 397, Hawaii Revised Statutes;
- (2) Deleting the specific appropriation amounts for start-up costs to be deposited to the credit of the boiler and elevator special fund, and for the Department of Labor and Industrial Relations to carry out the purposes of this measure;
- (3) Changing the effective date to July 1, 2050, to promote further discussion; and
- (4) Making technical nonsubstantive amendments for the purpose 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. 2220, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2220, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Slom). Excused, none.

SCRep. 2663 (Majority) Ways and Means on S.B. No. 2213

The purpose and intent of this measure is to clarify the scope of the requirement that, prior to the discharge of an employee from service or release of the employee from the employee's position due to the employee's failure to meet performance requirement, the appointing authority consider a transfer to another position for which the employee is qualified.

The measure clarifies this consideration requirement by limiting the scope of the appointing authority's review to only the positions that are within the appointing authority's department.

Your Committee received written comments in support of this measure from the Department of Human Resources Development and the Hawaii Government Employees Association.

Your Committee finds that this measure properly clarifies the scope of the job search, with respect to a public employee, that an appointing authority has to undertake prior to the discharge of the employee from service, or release of the employee from the employee's position, due to the employee's failure to meet performance requirements.

Your Committee has amended this measure to further clarify that the appointing authority for the public employee must consider another position administrated by the appointing authority, rather than a position within the same department of the appointing authority.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2213, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2213, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12, Ayes with Reservations (Espero, Ryan). Noes, 1 (Slom). Excused, 1 (Dela Cruz).

SCRep. 2664 Ways and Means on S.B. No. 2749

The purpose and intent of this measure is to correct, clarify, and harmonize the changes made by Act 163, Session Laws of Hawaii 2011, to reduce the unfunded liability of the Employees' Retirement System.

Specifically, the measure:

- (1) Deletes water safety officers from the list of individuals who join the Employees' Retirement System as contributory members after June 30, 2012;
- (2) Corrects various typographical and nonsubstantive errors in the State's pension and retirement system law, Chapter 88, Hawaii Revised Statutes; and
- (3) Harmonizes service retirement, ordinary disability retirement, and ordinary death benefits for individuals who become members of the Employees' Retirement System after June 30, 2012.

Written comments in support of this measure were submitted by the Department of Budget and Finance and the Employees' Retirement System.

Your Committee finds that Act 163, Session Laws of Hawaii 2011, was enacted to make various revisions to the Employees' Retirement System in order to reduce the System's unfunded liability. Your Committee also finds that the amendments made by this measure to Chapter 88, Hawaii Revised Statutes, will clarify benefit changes made under Act 163.

Your Committee has amended this measure by making a technical nonsubstantive amendment for the purposes of conformity with recommended drafting conventions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2749, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2749, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Kahele, Kouchi).

SCRep. 2665 Ways and Means on S.B. No. 2304

The purpose and intent of this measure is to prevent erroneous eyewitness identifications in law enforcement investigations by improving eyewitness identification procedures.

Your Committee received written comments in support of this measure from the American Civil Liberties Union of Hawaii; the Innocence Project; the Alliance on Prisons; and one individual. Your Committee received written comments in opposition to this measure from the Office of the Prosecuting Attorney, County of Hawaii; the Department of the Prosecuting Attorney, Maui County; the Department of the Prosecuting Attorney, City and County of Honolulu; the Maui County Police; and one individual.

Your Committee finds that misidentification by an eyewitness can cause irreparable harm to an innocent person. Requiring county police departments and state law enforcement agencies to adopt the procedures and training required by this measure will reduce instances of incorrect eyewitness identification, thereby increasing the reliability of eyewitness identification, and will improve the administration of criminal justice in this State.

Your Committee has amended this measure by:

- (1) Clarifying that, in a live lineup, participants shall be out of view of the eyewitness prior to, as well as at the beginning of, the identification procedure; 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. 2304, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2304, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2666 Ways and Means on S.B. No. 3030

The purpose and intent of this measure is to subject the Auditor's salary to the same provisions of law as other legislative service agency heads by allowing the diminishment of the Auditor's salary during the Auditor's term of office by general law applicable to all salaried officers of the State.

Your Committee received written comments in opposition to this measure from the Office of the Auditor.

Your Committee finds that the heads of legislative service agencies, as well as other government officials, have experienced a recent salary reduction. This measure makes the Auditor's salary diminishment provision the same as that for the Legislative Reference Bureau Director and the Ombudsman who, like the Auditor, are heads of legislative service agencies.

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. 3030, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3030, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Tokuda).

SCRep. 2667 Ways and Means on S.B. No. 2790

The purpose and intent of this measure is to extend the repeal date of the pilot project created by Act 187, Session Laws of Hawaii 2010, that enables the Department of Hawaiian Home Lands to begin housing and other projects without having the full amount of the cost of the projects on hand at the beginning of the project.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs; Sovereign Councils of the Hawaiian Homelands Assembly; Mokupuni O Oahu-Sovereign Councils of the Hawaiian Homelands Assembly; Waianae Kai Homestead Community Association-Sovereign Councils of the Hawaiian Homelands Assembly; and the Nanakuli Hawaiian Homestead Community Association-Sovereign Councils of the Hawaiian Homelands Assembly.

Your Committee finds that extending the pilot project to June 30, 2015, will allow the Department of Hawaiian Home Lands the continued opportunity to build affordable homes for its beneficiaries.

Your Committee has amended this measure by requiring the Department of Hawaiian Home Lands to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 2013, 2014, and 2015 on the status of the pilot project.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2790, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2790, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Ayes with Reservations (Espero, Kim, Ryan, Wakai, Slom). Noes, none. Excused, none.

SCRep. 2668 Ways and Means on S.B. No. 3016

The purpose and intent of this measure is to direct the Department of Public Safety, in cooperation with others, to plan for the creation of a wellness center employing native Hawaiian cultural practices to restore the overall well-being of individuals, families, and the native Hawaiian community.

The measure also:

- (1) Requires the Public Land Development Corporation to assist in determining an appropriate site for the wellness center, but to give preferential consideration to the Kulani Correctional Facility on the Big Island; and
- (2) Requires the Department of Public Safety to create a work release pilot program on the Big Island for low-risk incarcerated individuals to work on community projects.

Your Committee received written comments in support of this measure from Malu Aina; Community Alliance on Prisons; Ohana Ho'opakele; and one individual. Your Committee received comments from the Office of Hawaiian Affairs.

Your Committee finds that drug, alcohol, and tobacco use are on the rise among the native Hawaii population and that one way to address this problem is by establishing a wellness center based upon native Hawaiian cultural practices. Your Committee also finds that allowing incarcerated individuals to work on community projects will benefit the community, reduce invasive species, and develop skills that will ease incarcerated individuals' reintegration into society.

Your Committee has amended this measure by:

- (1) Authorizing the Public Land Development Corporation, when choosing the location for the wellness center, to give preference to a different site, if the different site will provide a greater probability of success than the Kulani Correctional Facility site;
- (2) Adding the requirement that the report submitted to the Legislature include the factors the Department of Public Safety used in determining the site of the wellness center; 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. 3016, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3016, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

SCRep. 2669 (Majority) Ways and Means on S.B. No. 2506

The purpose and intent of this measure is to more efficiently implement the requirements of the federal REAL ID Act by transferring the civil identification program from the Department of the Attorney General to the Department of Transportation.

Your Committee received written comments in support of this measure from the City and County of Honolulu, Division of Motor Vehicle, Licensing and Permits. Your Committee received written comments on this measure from the Department of Human Resources Development; County Council, County of Maui; and Hawaii Government Employees Association.

Your Committee finds that current civil identification cards and driver's licenses issued in this State do not meet the requirements of the REAL ID Act. This will potentially restrict travel and business by preventing holders of those cards from being properly recognized by federal agencies, including the Transportation Security Administration. Your Committee further finds that combining the driver's license and civil identification programs will allow county examiners to issue civil identification cards, ensuring compliance with the REAL ID Act by the January 15, 2013 deadline.

Your Committee has amended this measure by:

- (1) Designating the examiner of drivers and any law enforcement officer as persons to whom an individual is required to return or deliver a found identification card;
- (2) Amending section 286-102(c), Hawaii Revised Statutes, to require that receipt of a driver's license requires surrendering all valid identification cards in the person's possession;
- (3) Requiring that all civil service employees whose functions are transferred to a county's examiner of drivers by this measure, shall retain their civil service status pursuant to a plan approved by the State and counties; 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. 2506, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2506, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, 1 (Slom). Excused, none.

SCRep. 2670 (Majority) Ways and Means on S.B. No. 2946

The purpose and intent of this measure is to:

- (1) Extend the temporary increase in the rental motor vehicle surcharge tax to \$7.50 per day, and the deposit of \$4.50 per day of the tax revenue into the general fund, until June 30, 2013; and
- (2) Extend the suspension of rental motor vehicle customer facility charges until June 30, 2013.

Your Committee received comments on this measure from EAN Holdings, LLC.

Your Committee finds that although the rental motor vehicle surcharge tax was created to provide a funding source for construction of consolidated car rental facilities at airports throughout the State, a portion of the surcharge revenues needed to be diverted in 2011 to help mitigate the adverse effects of the significant budget shortfall experienced by the State. While the State's economy is showing signs of recovery, the diversion of surcharge revenues remains necessary in order to, among other things, offset the general fund cost to recapitalize the emergency and budget reserve and hurricane relief funds, because those funds' balances were also used in 2011 to help address the State's budgetary needs.

Your Committee has amended this measure by:

- (1) Extending, until June 30, 2015: the increase in the rental motor vehicle surcharge tax to \$7.50 per day, the deposit of \$4.50 per day of the tax revenue into the general fund, and the suspension of rental vehicle motor vehicle customer facility charges; and
- (2) Changing the revenue bond appropriation amount from \$50,000,000 to \$500,000,000 and making the section authorizing the bond authorization take effect on July 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. 2946, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2946, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12, Ayes with Reservations (Kidani). Noes, 1 (Slom). Excused, 1 (Fukunaga).

SCRep. 2671 Ways and Means on S.B. No. 2977

The purpose and intent of this measure is to establish an income tax credit for aviation fuel taxes paid by interisland airplane carriers to transport people and goods between the islands of this State using turbo propeller airplanes.

Your Committee finds that the tax credit established by this measure would assist interisland airplane carriers by reducing their overall fuel costs. Your Committee also finds that this would enable the carriers to keep fares low, which benefits interisland air travelers. However, your Committee believes that it is counterproductive to limit a carrier's ability to qualify for this tax credit based on the type of aircraft the carrier operates.

Your Committee has amended this measure by:

- (1) Deleting the requirement that an interisland airplane carrier operate turbo propeller airplanes to qualify for the tax credit established by this measure;
- (2) Clarifying the tax credit is for aviation fuel taxes passed on to an interisland airplane carrier by a distributor;
- (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 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. 2977, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2977, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 2672 Ways and Means on S.B. No. 3010

The purpose and intent of this measure is to expedite the rehabilitation and replacement of state-owned bridges by providing temporary exemptions from certain state requirements.

Written comments in support of this measure were submitted by Hawaii Reserves, Inc.; Brigham Young University-Hawaii; Polynesian Cultural Center; and Brigham Young University-Hawaii, Office of the Vice President. Written comments in opposition of this measure were submitted by the Department of Business, Economic Development, and Tourism, Office of Planning; Historic Hawaii Foundation; and Society for Hawaiian Archaeology.

Your Committee finds that approximately thirty bridges under the jurisdiction of the Department of Transportation that are either functionally obsolete or structurally deficient are currently in the design phase for rehabilitation or replacement. Your Committee further finds that the process for rehabilitation and replacement of many of these bridges needs to be expedited to ensure public safety.

Your Committee notes the recommendation of the Department of Transportation that the measure be revised to include, at this time, only those bridge projects that are ready for implementation.

Accordingly, your Committee has amended this measure by:

- (1) Restricting the number of bridge repair projects to be exempt from various state requirements to those that are shovel ready;
- (2) Correctly identifying the name of the bridge in Waimanalo as Inoaole Stream Bridge; 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. 3010, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3010, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2673 Ways and Means on S.B. No. 2114

The purpose and intent of this measure is to provide for the allocation of transient accommodations tax revenues to the Convention Center Enterprise Special Fund on a fiscal year basis, instead of a calendar year basis.

Written comments in support of this measure were submitted by the Hawaii Tourism Authority.

Your Committee finds that the amount of the transient accommodations tax revenue allocated for the Convention Center Enterprise Special Fund is limited to \$33,000,000 per calendar year. A problem arises as a result of the limits on the deposits into the special fund because the limit is applied on a calendar year basis, but expenditures from the fund are made on a fiscal year basis. In some years, the \$33,000,000 limit is achieved in the third month of the fiscal year, October, and no further revenues are deposited into the fund until the new calendar year. This results in a short-fall in the fund's ability to pay the debt service for the convention center.

Your Committee has amended this measure by:

- (1) Providing that any unexpended and unencumbered moneys, as determined by the Hawaii Tourism Authority to be in excess of any unencumbered reserve remaining in the convention center enterprise special fund at the close of the fiscal year 2011-2012, may be expended by the Authority for repair and maintenance projects of the Hawaii Convention Center; 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. 2114, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2114, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 2674 Ways and Means on S.B. No. 2782

The purpose and intent of this measure is to appropriate funds to the Department of Land and Natural Resources to protect the watershed forests that replenish our water supplies and provide other benefits to the State's environment.

Written comments in support of this measure were submitted by the Department of Land and Natural Resources; Office of Hawaiian Affairs; Office of the Mayor-Maui County; Department of Water-County of Kauai; The Trust for Public Land; Hawaii Forest Industry Association; The Nature Conservancy; and five individuals.

Your Committee finds that immediate action is necessary to secure adequate water supply for the State due to hotter, drier conditions and damaged watershed forests that have escalated conflicts over water. Your Committee finds that the funds appropriated by this measure will help protect forest watersheds and aid in replenishing the water supply.

Your Committee has amended this measure by:

- (1) Deleting the appropriation amount in Section 2 of this measure to facilitate further discussion; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2782, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2782, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2675 Tourism on S.B. No. 2341

The purpose and intent of this measure is to:

- (1) Authorize activities or uses for short-term rentals of thirty-one days or less in agricultural districts for any one stay within a county; provided that the appropriate county has adopted an ordinance that specifically authorizes such use;
- (2) Repeal the language in section 205-5, Hawaii Revised Statutes, that prohibits agricultural tourism activities in the absence of bona fide farming operations; and
- (3) Repeal the language that prohibits a county from adopting ordinances that set forth requirements and restrictions for overnight accommodations connected with a farming operation in an agricultural district.

Your Committee received testimony in support of this measure from the Windward Ahupuaa Alliance and seven individuals. Your Committee received testimony in opposition to this measure from the Office of Planning; Department of Planning and Permitting, City and County of Honolulu; a member of the Kauai County Council; Sierra Club Hawaii Chapter; Keep it Kailua; and one individual. Your Committee received comments on this measure from the Department of Agriculture and Hawaii Farm Bureau Federation.

Your Committee has heard support for the concept of allowing farming operations to supplement their farm revenues or labor needs by providing overnight accommodations for farm tour participants or working farm stays. This will benefit the farmer and is consistent with state policies and efforts to promote agriculture, increase agricultural viability and markets for farmers, and maintain agricultural use of agricultural lands.

Your Committee has also considered concerns that this measure may create further problems in regulating transient vacation rentals in the agricultural district, and that repealing the prohibition on agricultural tourism activities in the absence of bona fide farming operations may be detrimental to the intent of this measure.

Your Committee believes that only permitting overnight accommodations of twenty-one days or less will ensure that month-to-month rentals are not inadvertently allowed under this measure.

With regard to the repeal of the language in section 205-5, Hawaii Revised Statutes, that prohibits agricultural tourism activities in the absence of bona fide farming operations, your Committee finds that the language is being repealed because it is unnecessary, as the statute requires each county to adopt ordinances setting forth procedures and requirements for the review and permitting of agricultural tourism uses and activities as an accessory use on a working farm, or farming operation as defined in section 165-2, Hawaii Revised Statutes. The definition of "farming operation" is comprehensive and far more specific than the somewhat imprecise reference to a bona fide farming operation, and provides clear guidance to the counties in the adoption of ordinances. In addition, your Committee finds that the final determination regarding these activities is best made by the counties, and has retained the repeal of the language.

Your Committee has amended this measure accordingly, by:

- (1) Clarifying that agricultural tourism activities, including overnight accommodations of twenty-one days or less, are permitted in an agricultural district for any one stay within a county; provided that the activities are permitted only if the county has adopted ordinances regulating agricultural tourism under section 205-5, Hawaii Revised Statutes;
- (2) Inserting an effective date of July 1, 2050, to ensure 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 Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2341, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2341, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2676 Commerce and Consumer Protection on S.B. No. 2247

The purpose and intent of this measure is to require commercial mobile radio service providers to provide call location information to public safety agencies and public safety answering points in response to emergencies.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Oceanic Time Warner Cable; and two individuals.

Your Committee finds that this measure enables commercial mobile radio service providers to make call location information available to public safety agencies and public safety answering points upon request. The public benefits by the improved capability of public safety agencies and public safety answering points to obtain vital information quickly when time is a factor in responding to an emergency or preventing death or serious bodily injury.

However, your Committee finds that providers currently utilize a federal exigency provision to disclose relevant information to federal law enforcement agencies. It is your Committee's understanding that providers would provide the same information to state law enforcement, public safety agencies, and public safety answering points if afforded the same safeguards.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with language that amends section 803-42(b), Hawaii Revised Statutes, to insert a state exigency provision that explicitly allows providers to disclose communication information to law enforcement agencies, public safety agencies, and public safety answering points in emergency 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 is in accord with the intent and purpose of S.B. No. 2247, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2247, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Green, Taniguchi, Slom).

SCRep. 2677 Commerce and Consumer Protection on S.B. No. 2398

The purpose and intent of this measure is to restrict the sale of tattoo supplies; require a blood borne pathogen test prior to licensure as a tattoo artist; prohibit body piercing or body modifications at tattoo trade shows, product demonstrations, or educational demonstrations; and create a tattoo artist task force.

Your Committee received testimony in support of this measure from the Coalition for Safe Tattooing Hawaii. Your Committee received testimony in opposition to this measure from the Department of Health and one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that this measure is intended to address pressing concerns about tattoo artists and the tattoo industry in the State. Your Committee has heard the concerns that the Department of Health may lack the resources to appropriately enforce the requirements of this measure. Your Committee acknowledges these concerns but notes that the Department of Health must provide more scrutiny over this growing industry.

Your Committee also notes that the fees and renewal fees for the original permit application for tattoo shops and tattoo artists are exceedingly low and need to be increased significantly. The permit fees could be a source of revenue for better enforcement of the industry. Your Committee also heard concerns regarding the issuance of temporary licenses to non-residents that enable temporary licensees to participate in tattoo trade shows in Hawaii. Your Committee notes significant health concerns were raised regarding unsafe or unhygienic conduct at trade shows in other venues and believes that without stricter scrutiny, educational awareness about tattooing in a tropical climate, and communication of other safety measures, allowing tattoo conventions in Hawaii is ill-advised.

Your Committee has amended this measure by:

- (1) Prohibiting tattoo trade shows in the State;
- (2) Clarifying that members of the tattoo artist task force shall be exempt from chapter 84, Hawaii Revised Statutes, and shall not be considered state employees because of their service on the task force;
- (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.

Your Committee acknowledges that further discussion on this measure is desirable as it progresses through the legislative process, and encourages the Department of Health and interested stakeholders to work together to make improvements in this industry.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2398, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2398, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Taniguchi, Slom).

SCRep. 2678 Commerce and Consumer Protection on S.B. No. 2966

The purpose and intent of this measure is to increase the maximum allowable customer-generator capacity for net energy metering systems to two megawatts if the generating facility is sited on property owned or controlled by the State of Hawaii, or one megawatt for all other systems.

Your Committee received testimony in support of this measure from the Hawaii Chapter of the Sierra Club, Blue Planet Foundation, and two individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Public Utilities Commission, and Hawaiian Electric Company, Inc.

Your Committee appreciates the fact that the Public Utilities Commission has undertaken docketed proceedings to address issues and circumstances that may impact net metering considerations. It is your Committee's intent for this measure to be an incentive for the Public Utilities Commission to continue its work to ensure adequate electric system reliability.

Your Committee has amended this measure by changing the effective date to July 1, 2013; provided that the measure shall be repealed if the Public Utilities Commission issues an order or decision prior to July 1, 2013, pursuant to docket 2007-0176 or 2011-0206, which relate to the implementation of the intragovernmental wheeling of electricity and the reliability standards for certain electric companies, respectively.

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. 2966, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2966, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Taniguchi, Slom).

SCRep. 2679 Commerce and Consumer Protection on S.B. No. 2981

The purpose and intent of this measure is to require the Public Utilities Commission to direct electric utilities to include plans to utilize indigenous, renewable energy sources, including geothermal resources, capable of producing firm power when crafting integrated resource plans.

Your Committee received testimony in support of this measure from Indigenous Consultants, LLC and Innovations Development Group, Inc. Your Committee received testimony in opposition to this measure from over one hundred individuals. Your Committee received comments on this measure from the Public Utilities Commission; Hawaii BioEnergy, LLC; and I Aloha Molokai.

Your Committee finds that this measure is intended to increase the use of firm, indigenous renewable resources. Your Committee further finds that the State must develop a range of local renewable energy resources in order to meet its growing energy needs, enhance energy security, and reach the State's ambitious renewable energy initiative.

Your Committee learned that the Public Utilities Commission recently approved a revised Integrated Resource Plan framework, which calls for electric utilities to develop scenarios as part of their planning process to meet energy objectives and customer needs. The use of scenarios allows the electric utilities to be more adaptable and resilient to circumstances beyond their control and take advantage of opportunities for more cost-effective energy production that may arise in the future. Your Committee finds that providing the Public Utilities Commission with more discretion in directing electric utilities to develop or consider certain scenarios maintains the flexibility and adaptability intended by the Integrated Resource Plan framework.

Your Committee also notes that this measure was interpreted by some to require an electric utility to break its avoided cost contracts with an independent power producer. This contract impairment provision would likely result in a violation of the Contract Clause of the United States Constitution, and should be removed from this measure. The Public Utilities Commission is aware of this important issue and is considering closer scrutiny or an investigation of the methodology used to calculate avoided cost.

Your Committee has amended this measure by:

- (1) Clarifying that the Public Utilities Commission may direct electric utilities to develop certain scenarios as part of their integrated resource plans;
- (2) Clarifying that the Public Utilities Commission may direct electric utilities to consider certain resources options as part of their integrated resource plans;
- (3) Clarifying the possible scenarios and resource options the Public Utilities Commission may direct electric utilities to examine;
- (4) Deleting the requirement that would have required an electric utility to replace existing power purchase agreements with independent power producers that contain avoided cost provisions;
- (5) Deleting the requirement for the Public Utilities Commission to submit a report of its actions to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013 and requiring the Commission to instead include its actions taken, findings, recommendations, and any proposed legislation necessary to further the purposes of this measure in its 2013 and 2014 annual reports to the Governor; and
- (6) Amending the purpose section for clarity.

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. 2981, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2981, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Green, Slom).

SCRep. 2680 Judiciary and Labor on S.B. No. 2833

The purpose and intent of this measure is to exempt Medicaid-ineligible recipients of state funded domestic in-home and community-based services for persons with developmental and intellectual disabilities from having to provide unemployment insurance, workers' compensation, temporary disability insurance, and pre-paid health care.

Your Committee finds that individuals who receive Medicaid assistance do not have to pay for unemployment insurance, workers' compensation, temporary disability insurance, and pre-paid health care. However, certain individuals who are not eligible for Medicaid assistance but receive in-home and community-based services through the state Department of Human Services must pay for employment-related costs. This measure attempts to resolve the disparate treatment of these two groups of social services recipients.

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

Your Committee notes that the title of this measure as introduced contains a misspelled word that is intended to mean an employment exemption for domestic services for persons with developmental and intellectual disabilities. Your Committee's preference is to adhere to the long-standing legislative practice to not amend bill titles after introduction.

As affirmed by the record of votes of the members 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. 2833, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2833, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 2681 Judiciary and Labor on S.B. No. 2793

The purpose and intent of this measure is to allow the Department of Hawaiian Home Lands to suspend its administrative rules for the purpose of awarding a lease to a Native Hawaiian beneficiary who has waited for a lease award for twenty years or more.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands and six private individuals. Testimony in opposition to this measure was submitted by one private individual. The Office of Hawaiian Affairs submitted comments.

Your Committee finds that there are over twenty thousand applicants for Hawaiian home lands lease awards, nearly one-third of whom have waited twenty years or more for a lease award. As individuals who have applied for lease awards age, lease awards on some of Hawaii's most desolate, remote lands, on large house lots, may no longer be suitable for those senior citizens. Your Committee also finds that the Department of Hawaiian Home Lands is exploring various types of housing, including multi-generational and senior housing, and considering the suspension of administrative rules to make viable housing options accessible to applicants who applied for lease awards no less than twenty years ago.

However, your Committee has concerns regarding the process the Department of Hawaiian Home Lands intends to use to distinguish between and choose beneficiaries who have been on the wait list for twenty years or more to be awarded leases. Furthermore, your Committee has concerns regarding the fairness of the selection process once the administrative rules are suspended and any unintended consequences as a result of suspending the rules.

Your Committee has therefore amended this measure by inserting an effective date of July 1, 2050, to ensure 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. 2793, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2793, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5, Ayes with Reservations (Ihara, Slom). Noes, none. Excused, none.

SCRep. 2682 Judiciary and Labor on S.B. No. 2277

The purpose and intent of this measure is to:

- (1) Establish a new administrative procedure and administrative remedy for challenges to a habitat conservation plan or safe harbor agreement and accompanying license; and
- (2) Make permanent the Board of Land and Natural Resources' power to approve safe harbor agreements, habitat conservation plans, and incidental take licenses.

Your Committee did not receive any testimony on this measure.

Your Committee finds that the existing procedure for enforcing rules, habitat conservation plans, and safe harbor agreements and accompanying licenses is unworkable. Unforeseen emergencies inevitably arise, and when they do, effective remedies must be available. This measure preserves the right to review an administrative decision or failure to render a decision in the appropriate circuit court.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to ensure 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. 2277, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2277, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2683 (Majority) Judiciary and Labor on S.B. No. 2923

The purpose and intent of this measure is to rehabilitate the natural populations of all Hawaiian opihi species and establish a new direction for the management of the fishery. Specifically, this measure:

- (1) Establishes a ban on taking, harvesting, or possessing opihi from off-shore islets in the State or statewide from below the waterline; and on taking or harvesting opihi from above the waterline of the coastal areas or nearshore waters of the State or possessing opihi in the State during specified closed seasons;
- (2) Creates a taking or harvesting bag limit for non-commercial purposes each day during an open season;
- (3) Provides exceptions to the ban for the Kaho'olawe Island Reserve and for persons exercising native Hawaiian gathering rights and traditional practices;
- (4) Establishes reporting requirements for the Division of Aquatic Resources of the Department of Land and Natural Resources; and
- (5) Establishes a five-year moratorium on the harvesting of opihi from the coastal areas or nearshore waters of Oahu.

Your Committee received testimony in support of this measure from the University of Hawaii, the Office of Hawaiian Affairs, the Nature Conservancy, and one private individual. Testimony in opposition to this measure was submitted by Tamashiro Market, Inc.; Boyd's Fish Market; Yama's Fish Market, Inc.; and one private individual. The Department of Land and Natural Resources submitted comments.

Your Committee finds that opihi picking is a dangerous activity. "*He i'a make ka 'opihī*" means "opihī is the fish of death". A review conducted by the Department of Health reported that from 1993 to 1997, nine people drowned while picking opihi. On the Big Island alone between 1999 and 2009, at least thirteen opihi pickers died from drowning, falls from cliffs, or in one case, getting stuffed into a blowhole by waves.

Your Committee further finds that despite the dangers of this activity, opihi is a delicacy that holds great cultural importance. As such, opihi populations are dwindling due to popularity and overharvesting. The breeding of adult opihi needs to be protected to ensure opihi populations will replenish themselves. Opihi have free swimming larvae that can disperse from the no take areas into areas where harvesting is legal. However, Oahu requires more drastic actions to rehabilitate its opihi populations due to overharvesting.

Your Committee notes the Department of Land and Natural Resources' comments regarding the feasibility of establishing a non-commercial opihi harvesting permit to enable the Department to enforce the provisions in this measure. However, your Committee recognizes that the purpose and intent of this measure is to protect and rehabilitate the natural populations of all Hawaiian opihi species that are susceptible to overharvesting by both commercial and non-commercial opihi pickers. Thus, your Committee believes that regulating only the non-commercial opihi pickers through a bag limit requirement and requiring them to acquire a permit undermines the purpose and intent of this measure.

Your Committee has amended this measure by:

- (1) Deleting the provision that prohibits the taking or harvesting of opihi for non-commercial purposes in an amount greater than one quart with shells attached or one half pint without shells per day;
- (2) Deleting the specific closed season dates of April 15 through July 15, and November 1 through February 15, and requiring the Division of Aquatic Resources of the Department of Land and Natural Resources and the Hawaii Institute of Marine Biology of the University of Hawaii to jointly determine the dates for open and closed opihi harvesting seasons; 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. 2923, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2923, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, none.

SCRep. 2684 (Majority) Judiciary and Labor on S.B. No. 2202

The purpose and intent of this measure is to:

- (1) Direct the Legislative Reference Bureau to conduct a study and gather information and data on whether employers and employment agencies are engaging in employment practices that exclude the unemployed from qualified applicant pools considered for employment in Hawaii;
- (2) Require the Legislative Reference Bureau to submit a report to the Legislature, including examples of any notices or advertisements that exclude the unemployed from consideration; and

- (3) Require the Hawaii Civil Rights Commission to provide assistance and information as necessary for the Legislative Reference Bureau to conduct the study.

Your Committee received testimony in support of this measure from the Hawaii State AFL-CIO; the International Longshore and Warehouse Union Local 142; and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. The Hawaii Civil Rights Commission and the Legislative Reference Bureau submitted comments.

Your Committee finds that there is growing concern over an emerging national trend, where increasing numbers of employers and employment services run job advertisements requiring that applicants be currently employed in order to apply. The unemployment rate in Hawaii has remained at over six percent for almost three years, and job postings that explicitly reference the employment status of applicants only hinder the efforts of unemployed persons to reenter the job market.

Your Committee further finds that the employment practice of employers or employment agencies publishing or causing to be published advertisements that exclude the unemployed from consideration for a job vacancy is against public policy. However, your Committee recognizes the concerns raised by the Legislative Reference Bureau regarding the study's scope and methodology in reviewing in-state employment opportunity postings and the need for further guidance on what constitutes quantifiable exclusionary employment practices.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting its original language as introduced, which amends section 378-2, Hawaii Revised Statutes, to prohibit any employer or employment agency from publishing a job advertisement that states that an applicant for the job must be currently employed;
- (2) Deleting any references that prohibit a job advertisement from suggesting that applicants be employed as they are subjective and difficult to apply;
- (3) Inserting an effective date of July 1, 2050, to ensure 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. 2202, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2202, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4, Ayes with Reservations (Ihara). Noes, 1 (Slom). Excused, none.

SCRep. 2685 Judiciary and Labor on S.B. No. 2419

The purpose and intent of this measure is to allow the scanning and retention of personal information contained in a Hawaii identification card or driver's license by certain specified entities for limited purposes.

Your Committee did not receive testimony on this measure.

Your Committee finds that identity theft is a serious crime with lasting negative repercussions on the life of the person whose identity is stolen. A frequently used source of identity theft is information contained on an individual's certificate of identification or driver's license. The widespread use of such personal identification has made it relatively easy for thieves to gain access to sensitive information of innocent victims; therefore, your Committee finds that limiting the use and retention of certificate of identification or driver's license information promotes the privacy interests of individuals and eliminates a potential source of information for identity thieves.

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. 2419, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2419, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 2686 (Joint/Majority) Commerce and Consumer Protection and Ways and Means on S.B. No. 2321

The purpose and intent of this measure is to establish a task force to determine the feasibility of establishing a limited, mandatory, and public long-term care insurance program.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Executive Office on Aging, Policy Advisory Board for Elder Affairs, ILWU Local 142, and two individuals. Your Committees received testimony in opposition to this measure from the National Association of Insurance and Financial Advisors Hawaii. Your Committees received comments on this measure from one individual.

Your Committees find that long-term care insurance is an issue that the Legislature has attempted to address since the late 1980s. Most recently, Act 245, Session Laws of Hawaii 2002, established the Hawaii long-term care financing program to provide a universal and affordable system of providing long-term care. The board of trustees established by Act 245 recommended funding such a program with a mandatory dedicated income tax. In 2003, the Legislature passed S.B. No. 1088, C.D. 1, which would have established a funding mechanism to implement Act 245 and a long-term care income tax credit. However, the Governor vetoed the measure, and the veto was not overridden.

This measure establishes a long-term care financing task force. However, because the groundwork for a long-term care program and financing has already been laid, your Committees conclude that it would be appropriate for the task force to expand upon previous efforts by the Legislature during the Regular Sessions of 2002 and 2003 and attendant task forces.

Your Committees note that this measure requires task force members to be reimbursed for travel expenses. Your Committees also note that an actuarial analysis is needed before the task force can ascertain if there is public sentiment for a mandatory tax to implement a long-term care insurance program. Your Committees estimate that an appropriation of at least \$200,000 is necessary to cover the expenses associated with travel reimbursement and the actuarial analysis.

Your Committees have amended this measure by:

- (1) Clarifying that the purpose of the long-term care financing task force shall be to expand on prior long-term care legislation and ascertain if there is public sentiment for a mandatory tax to implement a long-term care insurance program for all residents of the State;
- (2) Specifying that members of the task force shall be exempt from chapter 84, Hawaii Revised Statutes, and shall not be considered state employees due to their service on the task force;
- (3) Requiring the performance of an actuarial analysis to provide information, such as the fiscal requirements and impacts of the program, as the basis for the task force to propose a mandatory tax to implement a long-term care insurance program to the public and specifying the contents of the analysis;
- (4) Requiring the actuarial analysis to be completed and submitted to the Director of the Executive Office on Aging by June 30, 2013, and requiring the Director of the Executive Office on Aging to submit a report, including the Director's findings and recommendations based on the analysis, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014;
- (5) Inserting a blank appropriation for travel expenses for task force members and performance of the actuarial analysis;
- (6) Updating the purpose section to reflect the amended purpose of this measure;
- (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 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. 2321, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2321, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 16. Noes, 1 (Slom). Excused, 3 (Chun Oakland, Espero, Kim).

SCRep. 2687 Commerce and Consumer Protection on S.B. No. 2089

The purpose and intent of this measure is to require any nonresident owner who operates a transient accommodation located in the nonresident owner's private residence, including an apartment, unit, or townhouse, to employ a property manager approved by the Real Estate Commission.

Your Committee received testimony in support of this measure from the City and County of Honolulu Department of Planning and Permitting; Maui Hotel & Lodging Association; Condominium Rentals Hawaii; Poipu Beach Resort Association; West Hawaii Property Services, Inc.; Waikoloa Vacation Rental Management; and four individuals. Your Committee received testimony in opposition to this measure from the Hawaii Vacation Rental Owners Association; The Travel Group; Trading Places International; Hanalei Bay Resort; Makana Mai Ka Lani; Hot Spot Tax Services; Sunshine & Rainbows, LLC; Humiston and Company, CPAs; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation, Department of the Attorney General, Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Hawaii Real Estate Commission, and Starwood Vacation Ownership.

Your Committee finds that although many owners of transient accommodations operate in compliance with applicable state and county laws, there are a sizeable number of owners who do not. Failure to comply denies the State and counties of transient accommodations taxes and general excise taxes they are due. Enforcement efforts may also be hampered when the owner of a transient accommodation lives on a different island from the property or out of state.

Your Committee further finds that requiring nonresident owners to employ professionals such as real estate brokers or salespersons or condominium hotel operators is an important consumer protection measure. Consumers who use real estate companies, real estate brokers, real estate salespersons, or condominium hotel operators for their transient accommodation rental needs can do so with the knowledge that all money generated will flow through a client trust account, the appropriate federal tax Form 990s will be generated, and accurate transient accommodations taxes and general excise taxes will be paid. Real estate companies, real estate brokers, real estate salespersons, and condominium hotel operators must comply with specific licensing and bonding requirements, thus offering additional protections for consumers.

Your Committee notes that efforts to strengthen enforcement of tax laws and enhance consumer protection in the State's transient vacation rental market are taking place on both a state and county level. In February 2012, the Maui County Council Planning Committee advanced a measure to regulate short-term rentals. The Maui County measure requires a property manager to live within thirty minutes of a rental's location and be able to respond to a complaint within an hour. Your Committee concludes that this measure should be amended to reflect a similar requirement. Requiring owners who live on a different island from their transient accommodation property or out of state to provide a local contact is another important aspect of consumer protection. A local contact close to the rental property is essential in the case of an emergency or natural disaster.

Your Committee recognizes that there are numerous owners of transient accommodations in the State who are in full compliance with state and county laws. The intent of this measure is not to punish those individuals who pay applicable taxes and comply with all necessary consumer protections. Therefore, your Committee concludes that an exemption from the provisions of this measure should be added for those property owners who obtain an annual tax clearance from the Department of Taxation and submit all necessary forms to the Real Estate Commission.

Your Committee has amended this measure by:

- (1) Clarifying that a nonresident owner who operates a transient accommodation located in the nonresident owner's private residence, including a condominium, apartment, or townhouse, shall employ a licensed real estate broker or salesperson;
- (2) Clarifying that a nonresident owner who operates a transient accommodation located in the nonresident owner's private residence in a condominium hotel shall employ a condominium hotel operator;
- (3) Prohibiting the operation of a transient accommodation located in a nonresident owner's private residence without employing a licensed real estate broker or salesperson or condominium hotel operator, and establishing fines for noncompliance;
- (4) Requiring certain nongovernmental entities to provide the Department of Taxation with relevant information related to all owners who may be leasing their property as transient accommodations by December 31 of each year, and establishing fines for noncompliance;
- (5) Requiring each county to provide the Department of Taxation with relevant owner information for every transient accommodation permitted by the respective county by December 31 of each year, and permitting the Department to provide the counties with information necessary for the enforcement of county real property tax laws;
- (6) Requiring advertisements for every transient accommodation located in the State to include the name and phone number of a local point of contact for each transient accommodation, and establishing fines for noncompliance;
- (7) Permitting nonresident owners who obtain an annual tax clearance from the Department of Taxation and submit the tax clearance along with the federal tax Form 990 to the Real Estate Commission to be exempt from the mandatory employment of a licensed real estate broker or salesperson or condominium hotel operator proposed by this measure;
- (8) Specifying that any fines for violations of the provisions of this measure shall be in addition to the payment of back taxes;
- (9) Deleting the definition of "property manager";
- (10) Inserting a definition of "nonresident owner";
- (11) Inserting a purpose section to reflect the amended purpose of this measure;
- (12) Changing the effective date of this measure to July 1, 2012; and
- (13) Making 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. 2089, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2089, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Taniguchi, Slom).

SCRep. 2688 (Majority) Ways and Means on S.B. No. 2111

The purpose and intent of this measure is to capitalize on the convergence of Hawaii's film, television, entertainment, digital media, and music industries by pursuing long-term growth through a comprehensive strategy to grow high-quality local jobs in these industries.

More specifically, this measure:

- (1) Establishes the Hawaii film and digital media special fund;
- (2) Repeals part IX of chapter 201, Hawaii Revised Statutes, relating to Hawaii television and film development;
- (3) Amends the motion picture, digital media, and film production income tax credit percentages and the total tax credit cap;
- (4) Strengthens incentives for hiring greater numbers of residents and supports training and employment opportunities for those residents;
- (5) Establishes a motion picture, digital media, and film production infrastructure tax credit; and
- (6) Shortens the time period to which the benefits of the motion picture, digital media, and film production tax credit, as enhanced pursuant to Act 88, Session Laws of Hawaii 2006, may be applied.

Written comments in support of this measure were submitted by the Office of the Mayor of the County of Maui, Hyperspective Studios, Tetris Online, Inc., and three individuals. Written comments on this measure were submitted by the Department of Business, Economic Development, and Tourism and the Tax Foundation of Hawaii.

Your Committee finds that Act 88, Session Laws of Hawaii 2006, established tax credits to provide incentives for film and television production. Your Committee also finds that these incentives have been successful in increasing production activity in the State. Notable productions that have occurred in the past few years include the highly-rated television program "Hawaii Five-0" and

the Academy Award-winning film “The Descendants”. Your Committee believes that additional production work could be generated by establishing incentives to invest in film, television, and digital media infrastructure in the State.

Your Committee also finds that it is in the interest of the State to encourage the hiring of local residents for Hawaii’s film and digital media industry. Currently, forty states and Puerto Rico offer motion picture incentives, including tax credits, rebates, and exemptions. Twenty-one of these jurisdictions either have a local hire requirement in order to receive the incentive or have an increased award for hiring local residents. Five states – Colorado, Florida, Indiana, Minnesota, and Texas – require that a certain percentage of the workforce consist of local residents in order to receive the incentive. In addition, fifteen states and Puerto Rico offer a supplementary award for hiring local residents.

Your Committee believes that this measure will encourage the use of Hawaii as a destination for filming and digital production, as well as develop and sustain the workforce and infrastructure for Hawaii’s film, television, entertainment, digital media, and music industries.

Your Committee has amended this measure by:

- (1) Clarifying that the quarterly payments into the Hawaii film and digital media special fund, based upon wages and salaries paid to legal residents, shall be calculated and deposited by the Department of Taxation;
- (2) Clarifying the language relating to the programs that are to be funded by the Hawaii film and digital media special fund;
- (3) Reinstating the tax credit percentages of the motion picture, digital media, and film production income tax credit;
- (4) Amending the motion picture, digital media, and film production income tax credit to provide an additional credit amount for qualified production costs attributable to payment to legal residents of the State and to Hawaii vendors and Hawaii suppliers;
- (5) Deleting references to students in the local hiring requirements of the motion picture, digital media, and film production income tax credit and making the hiring of students a separate option to qualifying for the tax credit;
- (6) Clarifying the acceptable methods of demonstrating residency in the State for the purposes of the motion picture, digital media, and film production income tax credit and the motion picture, digital media, and film production infrastructure tax credit;
- (7) Clarifying that, for digital media projects and independent and emerging media projects, a minimum of fifty per cent of production cast and crew positions must be filled by legal residents of the State;
- (8) Providing that, for productions beginning January 1, 2016, the minimum percentage of production cast and crew positions that must be filled by legal residents of the State shall be set by the State and based upon the aggregate wages and salaries paid for positions created by productions and projects that received the motion picture, digital media, and film production income tax credit during the previous three years;
- (9) Authorizing the Department of Business, Economic Development, and Tourism to establish a fee for processing taxpayer letters for the purposes of the motion picture, digital media, and film production income tax credit and the motion picture, digital media, and film production infrastructure tax credit;
- (10) Deleting the requirement that the Director of Taxation notify the Department of Business, Economic Development, and Tourism of any revoked or modified orders affecting previously granted tax credits;
- (11) Deleting the additional penalty for fraudulently claiming a motion picture, digital media, and film production income tax credit;
- (12) Expanding the definition of the term “commercial” to include advertising messages disseminated by the Internet or by wireless transmission;
- (13) Expanding the definition of the term “digital media” to include production methods and platforms developed after the effective date of the measure;
- (14) Deleting all references to “production expenditures” and “qualified expenditures”, and providing that the amount of the motion picture, digital media, and film production income tax credit is based upon qualified production costs;
- (15) Reinstating, clarifying, and expanding the definition of “qualified production costs”;
- (16) Clarifying the distinction between the repayment of the motion picture, digital media, and film production infrastructure tax credit, which is a normal aspect of the tax credit, and a recapture of the tax credit, which only occurs if the infrastructure project ceases to be a qualified infrastructure project;
- (17) Amending the effective date provisions of Act 88, Session Laws of Hawaii 2006, by repealing the sunset date of the enhanced motion picture, digital media, and film production tax credit benefits;
- (18) Appropriating funds to the Department of Business, Economic Development, and Tourism and the Department of Accounting and General Services for additional resource and staffing support to assist state agencies in collecting and reporting annually on estimates of the full-time equivalent positions for legal Hawaii residents by each production receiving tax credits; and
- (19) 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. 2111, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2111, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, 1 (Slom). Excused, none.

SCRep. 2689 Ways and Means on S.B. No. 2253

The purpose and intent of this measure is to reduce crime and recidivism by requiring the Department of Public Safety to establish a Hawaii's opportunity parole with enforcement pilot program based upon the Judiciary's Hawaii's opportunity probation with enforcement program.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs, the Community Alliance on Prisons, and one individual.

Your Committee finds that the Judiciary's Hawaii's opportunity probation with enforcement program has been highly successful at reducing crime and drug abuse among participants, including those in the high recidivist groups of methamphetamine abusers and domestic violence offenders. Requiring the Department of Public Safety to establish a similar pilot program that applies the same principles, including random drug testing, and swift, short terms of incarceration for parolees who test positive for drugs or who fail to appear for a parole appointment, will result in similar reduction of prison days served and increased integration within society for parolees.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2253 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. 2690 Ways and Means on S.B. No. 2035

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Wahiawa General Hospital, a Hawaii not-for-profit corporation, to finance the expansion of its health care facilities.

Your Committee received written comments in support of this measure from United Public Workers and Healthcare Association of Hawaii.

Your Committee finds that it is in the public interest and for the public health, safety, and general welfare to assist in the improvement of the health care system for residents of the State. Your Committee further finds that recent closures of Hawaii Medical Center facilities located in Ewa and Liliha have resulted in the reduction of available emergency medical services, chronic long-term care services, and basic care. This measure will allow Wahiawa General Hospital to expand its facilities so that it may provide medical services necessary for neighboring communities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2035 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2691 (Majority) Ways and Means on S.B. No. 2070

The purpose and intent of this measure is to allow an appointing authority to waive the residency requirement for appointed state or county department heads and deputies or assistants to a department head when the position requires highly specialized or scientific knowledge or training and no qualified applicant who meets the residency requirement can be found.

Your Committee finds that certain state or county appointed positions require advanced training or highly specialized scientific expertise that may not be available among the local applicant pool. In addition, appointed department heads and assistant or deputy department heads must meet a mandatory one-year residency requirement. Your Committee finds that these two specific requirements have prevented agencies from filling certain vacancies because a qualified candidate who met the residency requirement and also possessed the requisite training or knowledge was not available. Your Committee finds that authorizing appointing officers to waive the one-year residency requirement in certain circumstances will allow appointing officers to fill crucial specialized positions that may otherwise remain vacant.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2070, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 2 (Kidani, Kim). Excused, 1 (Kouchi).

SCRep. 2692 Ways and Means on S.B. No. 2083

The purpose and intent of this measure is to appropriate moneys to be expended in fiscal year 2012-2013 by the Department of Human Services to match the federal medicaid disproportionate share hospital allowance.

Written comments in support of this measure were submitted by the Hawaii Government Employees Association and Healthcare Association of Hawaii. Written comments on this measure were submitted by the Department of Human Services.

Your Committee finds that the federal medicaid disproportionate share hospital appropriation is critically important to hospitals in Hawaii because it helps cover the uncompensated costs of health care for the State's most vulnerable population.

The federal medicaid disproportionate share hospital appropriation of \$10,000,000 per year is secured for the State through 2019, but to receive these funds each year, the State must match the federal appropriation. Your Committee finds that a matching appropriation from the State for fiscal year 2012-2013 will allow for continued medicaid coverage for health care services in our communities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2083, 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. 2693 Ways and Means on S.B. No. 2088

The purpose and intent of this measure is to increase both the transparency of, and the Legislature's involvement in, Hawaii's medicaid program.

Your Committee received written comments in support of this measure from Healthcare Association of Hawaii; United Self Help; and two individuals. Your Committee received written comments in opposition to this measure from the Department of Human Services.

Your Committee finds that notification by the Department of Human Services to the Legislature regarding changes to Hawaii's medicaid program will increase transparency and enable the Legislature to more efficiently monitor the costs of and services provided by the state medicaid program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2088 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. 2694 Ways and Means on S.B. No. 2249

The purpose and intent of this measure is to provide incarcerated individuals with the opportunity to participate in arts and crafts activities while concomitantly establishing a revenue stream for rehabilitation programs and crime victim compensation.

Specifically, the measure:

- (1) Allows committed persons to create products and crafts for sale, with the proceeds to be deposited as follows:
 - (A) Twenty-five per cent into the committed person's current facility's fund for re-entry or rehabilitation services or programs; and
 - (B) Twenty-five per cent into the crime victim compensation fund; and
- (2) Requires the Department of Public Safety to conduct a study of correctional facilities in other states regarding the making and sale of arts and crafts by inmates and report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the 2013 regular session.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs, the Community Alliance on Prisons, and one individual.

Your Committee finds that the creation and sale of a committed person's arts and crafts will create a valuable incentive for committed persons because it will provide them with an opportunity to develop their skills, increase their self-esteem, and allow for the payment of debts incurred as a result of their crimes.

Your Committee has amended this measure by:

- (1) Specifying that fifty per cent of the proceeds received from the sale of the product or craft shall be deposited into an account of the committed person established pursuant to section 353-20, Hawaii Revised Statutes;
- (2) Deleting the requirement that the Department of Public Safety adopt rules in accordance with chapter 91, Hawaii Revised Statutes, to implement this measure;
- (3) Changing the effective date to July 1, 2050, to promote 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. 2249, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2249, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 2695 Ways and Means on S.B. No. 2260

The purpose and intent of this measure is to exempt from the general excise tax rents received from qualifying nonprofit organizations and government agencies that provide homeless transitional shelters.

Written comments on this measure were submitted by the Tax Foundation of Hawaii.

Your Committee finds that this measure will assist homeless families and individuals by establishing an incentive for real property owners to lease their property to organizations and agencies that provide transitional shelter for homeless persons.

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. 2260, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2260, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kim).

SCRep. 2696 Ways and Means on S.B. No. 2092

The purpose of this measure is to require the Department of Human Services to presume that waitlisted patients applying for medicaid are eligible for coverage subject to certain limitations.

Your Committee received written comments in support of this measure from The Hawaii Disability Rights Center and Hawaii Health Systems Corporation.

Your Committee finds that delays in medicaid eligibility determinations prevent waitlisted patients, those ready for discharge and no longer requiring acute care services, from being discharged. These patients must therefore remain under hospital care where they consume valuable health resources. Your Committee finds that requiring presumptive medicaid eligibility, subject to the requirements of the measure, will allow waitlisted patients to be transferred to a medicaid funded care facility or to return home sooner, increase patient quality of life, and prevent the financial drain on acute care hospitals, while minimizing the risk that some patients are later determined to be ineligible for medicaid.

Your Committee has amended this measure by:

- (1) Clarifying that the verification of assets by a patient, for purposes of demonstrating presumptive medicaid eligibility, shall be at or below the medicaid threshold;
- (2) Changing the appropriation to an unspecified amount for purposes of further discussion;
- (3) Changing the effective date to July 1, 2050, to promote 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. 2092, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2092, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Kahale, Kim).

SCRep. 2697 Ways and Means on S.B. No. 2093

The purpose and intent of this measure is to equalize the medicaid reimbursement rates for acute care hospitals and long-term care facilities. This measure also makes an unspecified appropriation for increased medicaid reimbursements.

Written comments in opposition to this measure were submitted by the Department of Human Services.

Your Committee finds that patients in need of long-term care must often wait for admission to long-term care facilities due to a shortage of available beds in these facilities. As a result, these patients remain admitted at acute care facilities, despite no longer needing acute care services. Your Committee finds that this practice creates a financial difficulty for acute care facilities because they must accept a medicaid reimbursement at a lower rate for long-term care, rather than the higher payment rate for acute care. This measure will stabilize the reimbursement rate for acute care hospitals that must accommodate patients who no longer need acute care and are on a waiting list to be admitted to a long-term care facility.

Your Committee has amended this measure by:

- (1) Clarifying that the reimbursements addressed in this measure are intended to be made to hospitals with patients occupying "acute care licensed beds";
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on this 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. 2093, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2093, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kahale, Kim).

SCRep. 2698 Ways and Means on S.B. No. 2095

The purpose and intent of this measure is to address the increased caseload that followed the United States Department of Agriculture's mandate to amend supplemental nutrition assistance program income eligibility requirements, which increased the number of potential beneficiaries of the program.

Specifically, this measure makes an appropriation to the Department of Human Services to provide the resources for the Department to respond to the increased caseload.

Your Committee received written comments in support of this measure from one person.

Your Committee finds that by implementing the expanded categorical eligibility provision, which allows individuals with incomes of no more than 200 per cent of the federal poverty level to be eligible for the supplemental nutrition assistance program, the Department of Human Services has experienced an increase in its caseload. Since October 2010, the Department's caseload increased 12.6 per cent, and from July 1, 2008, to June 30, 2011, the caseload increased 63 per cent. The increased caseload, coupled with the Department's substantial workforce reduction and lost time due to furloughs, caused the Department to miss federally mandated deadlines for processing program applications, which then resulted in a preliminary injunction against the Department.

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. 2095, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2095, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Dela Cruz, Kahele, Kim, Slom).

SCRep. 2699 Ways and Means on S.B. No. 2116

The purpose and intent of this measure is to facilitate the implementation of the recommendations of the Charter School Governance, Accountability, and Authority Task Force.

More specifically, this measure:

- (1) Requires the Board of Education to contract for an Implementation and Transition Coordinator to assist with the implementation of S.B. No. 2115, Regular Session of 2012, a measure that reorganizes the structure of charter school governance; and
- (2) Makes an appropriation in an unspecified amount to the Department of Education for the Board of Education to contract for an Implementation and Transition Coordinator.

Written comments in support of this measure were submitted by the Department of the Attorney General. Written comments in opposition to this measure were submitted by the State Procurement Office.

Your Committee finds that Act 130, Session Laws of Hawaii 2011, established the Charter School Governance, Accountability, and Authority Task Force. The goal of the task force was to provide clarity to the relationships, responsibilities, and lines of accountability and authority among stakeholders of Hawaii's charter school system, including the Board of Education, Department of Education, Charter School Administrative Office, Charter School Review Panel, and local school boards.

Your Committee also finds that the task force concluded its work and issued its report and recommendations to the Legislature, which are included in S.B. No. 2115. Your Committee further finds that this measure will provide the Board of Education, Department of Education, and charter school stakeholders with the means to create a comprehensive transition framework to implement the recommendations of the task force.

Your Committee has amended this measure by:

- (1) Deleting the term "best practices" from the description of the minimum qualifications of the Implementation and Transition Coordinator; and
- (2) 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. 2116, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2116, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Kahele, Kim).

SCRep. 2700 Ways and Means on S.B. No. 2120

The purpose and intent of this measure is to increase payments for physician services for medicaid-eligible persons, including fee-for-service and QUEST-eligible individuals, and the QUEST expanded care program.

Specifically, this measure:

- (1) Appropriates an unspecified amount of funds for the 2012-2013 fiscal year to the Department of Human Services to increase payments for physician services to medicaid-eligible persons, including fee-for-service and QUEST-eligible individuals, and the QUEST expanded care program; and
- (2) Requires the Department of Human Services to include in its budget request for each year of the 2013-2015 fiscal biennium a sum at least equal to the sum appropriated for fiscal year 2012-2013, in addition to its baseline medicaid request.

Your Committee received written comments in support of this measure from The Hawaii Disability Rights Center and Hawaii Medical Association.

Your Committee finds that physicians are not being compensated for essential services at a level sufficient to cover costs. Increasing medicaid reimbursement rates for physicians is important to fairly compensate physicians who treat medicaid-eligible individuals, and higher reimbursement rates will create sufficient incentives for physicians to continue to provide the care that these recipients require.

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. 2120, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2120, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Dela Cruz, Kahele, Kim, Slom).

SCRep. 2701 Ways and Means on S.B. No. 2145

The purpose and intent of this measure is to ensure that persons suffering from severe and persistent mental illness receive necessary services.

Specifically, this measure:

- (1) Requires the Adult Mental Health Division of the Department of Health to provide services to persons who have a qualifying diagnosis, including services not covered by an insurance policy; and
- (2) Allows the Department of Health to bill, and receive reimbursement from, an insurer for treatment services provided by the State pursuant to chapter 334, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from the Hawaii Disability Rights Center; Kokua Council and AARP 60; and three individuals. Your Committee received written comments on this measure from the Department of Health and one individual.

Your Committee finds that Department of Health rules provide that even if an individual has a qualifying diagnosis, the individual is ineligible for any mental health services offered by the Adult Mental Health Division if the individual has any form of health insurance coverage, regardless of whether the services are covered under the individual's health insurance policy. Your Committee finds that this rule restricts, for no compelling reason, the ability of the Adult Mental Health Division to provide valuable services to these individuals.

Your Committee further finds that youth who are in the justice system often face emotional and behavioral challenges. Many of these youth are involved in drugs and have either dropped out of school or aged out of the educational system yet they do not receive necessary mental health services. These youth may be directed by the court to obtain mental health services, but they are no longer eligible to receive mental health services from the Department of Health.

Your Committee has amended this measure by:

- (1) Adding a requirement for the Department of Health to ensure that children, ages three to twenty-one, receive necessary treatment and rehabilitative services to reach their proper and full development regardless of whether the child is enrolled in school;
- (2) Changing the reference from "mental retardation" to "intellectual disability" for the purpose of consistency with uses of the latter term in the Hawaii Revised Statutes;
- (3) Changing the amount of the appropriation to an unspecified sum;
- (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 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. 2145, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2145, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kahele, Kim).

SCRep. 2702 Ways and Means on S.B. No. 2207

The purpose and intent of this measure is to provide fair compensation to lessees when a withdrawal or taking of leased land renders the land unusable for the lessee's original intended purpose.

Your Committee received written comments in support of this measure from one individual. Your Committee received written comments in opposition to this measure from the Department of Land and Natural Resources.

Your Committee finds that current law, which provides for a reduction in lease rent for any withdrawal or taking by the State that causes the land to become unusable for the specific use for which it was originally leased, does not provide adequate compensation to the lessee. Your Committee further finds that lessees are required by the leases to maintain insurance on the land and pay taxes for the

land even though they cannot use the land for the specific purpose for which the lease was originally signed, thus causing financial hardship for the lessees.

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. 2207, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2207, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kim).

SCRep. 2703 Ways and Means on S.B. No. 2352

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000 to assist Kauai Coffee Company Incorporated in the planning, construction, and operation of a coffee processing facility for the production of Hawaii-grown coffee products.

Written comments in support of this measure were submitted by the Department of Agriculture.

Your Committee finds that in order to develop additional markets for Hawaii-grown coffee, the coffee industry must be able to offer new and innovative products. Therefore, creating a new coffee processing facility would allow the coffee industry to create products that the global market is demanding. The coffee processing facility will also benefit all Hawaii coffee producers by allowing them to process their product 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. 2352, 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. 2704 Ways and Means on S.B. No. 2182

The purpose and intent of this measure is to make permanent the assessment and deposit of Center for Nursing fees into the compliance resolution fund and the disbursement of those moneys to the Center for Nursing special fund.

Written comments in support of this measure were submitted by the University of Hawaii System, Healthcare Association of Hawaii, American Organization of Nursing, Hawaii State Center for Nursing, Hawaii Government Employees Association, and two individuals.

Your Committee finds that the Hawaii Center for Nursing has provided education, service, and research through collaborative leadership.

Your Committee further finds that, because the Center receives operational funding from the assessment of the Center for Nursing fee or new or renewed nurse licenses, repeal of the fee would result in the closure of the Center for Nursing. Accordingly, your Committee finds that the fee should be permanent in order to continue to fund the Center and its work in nursing research and workforce development.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2182 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2705 Ways and Means on S.B. No. 2527

The purpose and intent of this measure is to require the Department of Education to identify unused public school facilities that may be appropriate for use by charter schools or early learning programs, such as the pre-plus program, or for any other purpose that the Board of Education deems appropriate.

This measure would also require the Department of Education to consider making available the facilities of a public school that may be closed by the Department for use by charter schools or early learning programs; provided that the facilities may be used for any other purpose deemed appropriate by the Board of Education.

Written comments in support of this measure were submitted by the Department of Human Services and Kewalo Hawaiian Homestead Community Association.

Your Committee finds that it is good practice, particularly in these difficult economic times, to require public school facilities that would otherwise be closed and unused to be used by early learning programs or charter schools or for other purposes deemed appropriate by the Board of Education.

Your Committee has amended this measure by clarifying that early learning programs include the pre-plus program and by making a technical nonsubstantive amendment 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. 2527, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2527, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2706 Ways and Means on S.B. No. 2535

The purpose and intent of this measure is to facilitate standardized scheduling among public schools in the State.

More specifically, this measure:

- (1) Requires the Department of Education to devise up to four bell schedules for elementary, middle, and high schools to standardize instructional periods across all schools, with the exception of charter schools and multi-track public schools;
- (2) Requires each school to choose one of the available bell schedules for each grade level; and
- (3) Amends the definition of “student instructional hours” for elementary and secondary schools.

Written comments in opposition to this measure were submitted by the Hawaii State Teachers Association and one individual.

Your Committee finds that schools throughout the State have developed and implemented a number of individual bell schedules. Your Committee also finds that this measure will authorize the Department of Education to develop and implement consistent standardized bell schedules. Your Committee believes that standardized scheduling will allow for coordinated planning and learning opportunities for students and school staff.

Your Committee has amended this measure by making a technical nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2535, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2535, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Kahele, Kim).

SCRep. 2707 Ways and Means on S.B. No. 2538

The purpose and intent of this measure is to mitigate the impact of concussions among high school students by requiring the Department of Education and the Hawaii High School Athletic Association to develop a concussion education program. In particular, the measure requires the program to:

- (1) Educate students, parents, school personnel, and sports officials about the signs and symptoms of concussion and the appropriate response;
- (2) Conduct annual educational sessions for coaches and athletic trainers;
- (3) Provide for the removal from an activity or event of a student displaying the effects of a concussion;
- (4) Require evaluation of the student by a health care provider and clearance from that provider prior to the student’s return to athletic activity; and
- (5) Require monitoring of the student upon return to athletic activity by an athletic trainer using appropriate standards.

Your Committee received written comments in support of this measure from the Hawaii Association of Athletic Trainers and one individual.

Your Committee finds that the number of concussions sustained by high school students in the course of athletic activity has increased and must be addressed in a comprehensive way. A statewide system that trains students, parents, school personnel, and sports officials to recognize the signs and symptoms of a concussion and provides for monitoring as the student returns to an appropriate level of athletic activity is necessary to ensure that students reap the benefits of physical activity without suffering the potentially debilitating and sometimes lifelong effects of concussions. Your Committee also finds that this measure takes an appropriate, integrated approach toward achieving this goal by requiring that all stakeholders be trained to recognize the signs and symptoms of a concussion and establishing requirements for the removal of possibly concussed students from athletic activity, clearance of the student prior to a return to athletic activity, and monitoring of the student following resumption of athletic activity.

Your Committee has amended this measure by:

- (1) Deleting the term “mild traumatic brain injury” and the definition of “school athletics” because neither is used or necessary to the measure as presently worded;
- (2) Changing all references to “licensed health care provider” and “physician” to “licensed health care professional”;
- (3) Clarifying that every high school is required to develop and implement a concussion awareness plan; 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. 2538, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2538, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Ryan).

SCRep. 2708 Ways and Means on S.B. No. 2543

The purpose and intent of this measure is to streamline administration of the 3R's school repair and maintenance fund.

Specifically, this measure:

- (1) Eliminates the Hawaii 3R's advisory board;
- (2) Repeals provisions setting standards for applicants submitting grant proposals to the fund and for imposing conditions for expenditures of the fund;
- (3) Eliminates the requirements for an annual audit and for each dollar of state funds to be matched by public funds; and
- (4) Eliminates the requirement for the Superintendent of Education to submit an annual report on the Hawaii 3R's school repair and maintenance fund to the Legislature.

This measure also repeals the Hawaii teacher cadet program fund and all of its provisions.

Your Committee finds that this measure makes housekeeping amendments that will delete outdated provisions and improve the delivery of public education, including streamlining the administration of the Hawaii 3R's school repair and maintenance fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2543 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2709 Judiciary and Labor on S.B. No. 2429

The purpose and intent of this measure is, among other things, to implement the recommendations of the Mortgage Foreclosure Task Force submitted to the Legislature for the Regular Session of 2012 and other best practices regarding mortgage foreclosures.

Your Committee received testimony in support of this measure from the Office of Consumer Protection, Department of Commerce and Consumer Affairs; the Mortgage Foreclosure Task Force, Department of Commerce and Consumer Affairs; Hawaiian Community Assets; Legal Aid Society of Hawaii; and one private individual. Testimony in opposition to this measure was submitted by the Hawaii Bankers Association, the Villages of Kapolei Association, the Hawaii Credit Union League, and seventeen individuals. Your Committee received comments on this measure from the Hawaii Association of Realtors; Anderson, Lahne & Fujisaki, LLP; and RCO Hawaii, LLC.

Your Committee finds that Act 162, Session Laws of Hawaii 2010, established the Mortgage Foreclosure Task Force to recommend policies and procedures to improve the way mortgage foreclosures are conducted in the State. Act 162 required the task force to submit its findings and recommendations, including any proposed legislation, to the Legislature for the Regular Sessions of 2011 and 2012.

The task force met over several public meetings during the legislative interim of 2011. The focus of these meetings was divided among these major issues:

- (1) The new mortgage foreclosure provisions of Act 48, Session Laws of Hawaii 2011, which, among other things, implemented some of the task force's initial recommendations, required the conversion of certain nonjudicial foreclosures to judicial foreclosures, established a mortgage foreclosure dispute resolution program, and placed a temporary moratorium on certain new nonjudicial foreclosures;
- (2) Matters involving condominium and other homeowner associations, including association liens and the collection of unpaid assessments; and
- (3) Mortgage foreclosure counseling and dispute resolution issues.

Based upon its deliberations on these issues, the task force adopted further recommendations in its report to the Legislature for the Regular Session of 2012. This measure implements the recommendations of the task force.

Your Committee notes the concerns regarding the priority of planned community association unpaid liens, specifically, whether first mortgages should have a higher priority than planned community association liens for assessments chargeable to a unit in a planned community association. Furthermore, concerns were raised regarding holding open houses of foreclosed condominium and community association units, similar to residential homes. The concerns relate to whether a private entity would have the same rights and protections as an officer of a court when conducting an open house of a foreclosed condominium or community association unit and when any liability claims for stolen or damaged property are made against the entity.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language as a new section under chapter 421J, Hawaii Revised Statutes, to clarify that:
 - (A) The priority of unpaid liens of a unit in a planned community association shall be provided in the association documents or, if no priority is stated, priority shall be determined by the recordation dates of the liens; and
 - (B) Any amendment made to the planned community association documents shall not provide that a planned community association lien has priority over a mortgage lien that is recorded before the association document amendment is recorded;

- (2) Making amendments to various sections under chapter 667, Hawaii Revised Statutes, to delete various provisions relating to open houses to address the concerns regarding holding open houses of foreclosed condominium and community association units, similar to residential homes;
- (3) Inserting an effective date of July 1, 2050, to ensure 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. 2429, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2429, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5, Ayes with Reservations (Slom). Noes, none. Excused, none.

SCRep. 2710 (Joint/Majority) Judiciary and Labor and Ways and Means on S.B. No. 2783

The purpose and intent of this measure is to:

- (1) Resolve all claims the Office of Hawaiian Affairs has asserted or raised, or could assert or raise, relating to the Office of Hawaiian Affairs' portion of income and proceeds from public land trust lands from November 7, 1978, up to and including June 30, 2012; and
- (2) Fulfill constitutional obligations to native Hawaiians by providing fee simple title to certain parcels of land situated in Kakaako makai to the Office of Hawaiian Affairs.

Your Committee received testimony in support of this measure from the Office of the Governor; the Department of the Attorney General; the Department of Hawaiian Home Lands; the Office of Hawaiian Affairs; the Kalihi Palama Hawaiian Civic Club; the O'ahu Council Association of Hawaiian Civic Clubs; the Native Hawaiian Chamber of Commerce; the Ko'olau Foundation; Kako'o 'Oiwī; the Ko'olaupoko Hawaiian Civic Club; the Association of Hawaiian Civic Clubs; and the Council for Native Hawaiian Advancement. Testimony in opposition to this measure was submitted by the Center for Hawaiian Sovereignty Studies; the 'Ilio'ulaokalani Coalition; and four private individuals.

Your Committees find that this measure proposes to transfer approximately \$200,000,000 worth of land located in Kakaako makai to the Office of Hawaiian Affairs as a settlement of the Office of Hawaiian Affairs' longstanding claims to income and proceeds from the ceded lands. The property identified in this measure is virtually contiguous, suited for master planning, and located in an area of Honolulu that is already experiencing significant redevelopment. Your Committees recognize the value of these properties and believe that property values could be enhanced by certain entitlements that, while not specifically provided for in this measure, could be obtained at a future date.

The Office of Hawaiian Affairs, Governor, and Attorney General agree that certain disputes relating to the Office of Hawaiian Affairs' portion of ceded land receipts from the period November 7, 1978, through June 30, 2012, need to be resolved. This measure was drafted jointly by the Attorney General and the Office of Hawaiian Affairs, and introduced in the Legislature at the request of the Governor.

Your Committees find that resolution of the decades-long dispute that has plagued state government and the Office of Hawaiian Affairs will have a positive impact on the Office of Hawaiian Affairs' beneficiaries and state government. The lands identified in this measure will provide a revenue stream to fund the Office of Hawaiian Affairs' services to its beneficiaries, while creating jobs and funding valuable programs in every corner of the State.

Your Committees further find that this measure is replete with significance for the people of Hawaii's host culture. In the future, transfer of the management and control of the Kakaako makai lands identified in this measure to the sovereign native Hawaiian entity, upon its recognition by the United States, may be appropriate. This measure not only impacts native Hawaiians in the immediate future, but also opens doorways to future reconciliation between the State and the native Hawaiian people.

However, your Committee on Judiciary and Labor notes its concerns regarding this measure. Your Committee believes that this measure does not represent a final settlement of all of the longstanding ceded land claims, nor does it encompass all ceded land parcels within the lands identified as the Kakaako makai area. Furthermore, your Committee has concerns about the fairness of this proposed settlement and whether this measure fully reflects a joint resolution between the State and the Office of Hawaiian Affairs' beneficiaries. As such, your Committee on Judiciary and Labor encourages further meaningful discussion as this measure moves through the legislative process.

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. 2783 and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 14, Ayes with Reservations (Hee). Noes, 1 (Slom). Excused, 3 (Fukunaga, Ihara, Kim).

SCRep. 2711 Judiciary and Labor on S.B. No. 2314

The purpose and intent of this measure is to:

- (1) Establish the offense of financial and economic exploitation of a dependent elder and penalties;
- (2) Define "elder" as any person sixty-two years of age or older;

- (3) Create enhanced penalties for a person who is convicted of financial and economic exploitation of a dependent elder in the course of committing or attempting to commit a felony, and causes the death or inflicts serious or substantial bodily injury upon a minor, elder, or handicapped person;
- (4) Require two signatures of unrelated persons as witnesses to the execution of a power of attorney for health care; and
- (5) Require financial institutions to report suspected financial abuse to the appropriate police department immediately by telephone and by written report via electronic mail.

Your Committee did not receive testimony on the measure.

Your Committee finds that there have been an increasing number of cases involving financial exploitation of the elderly by caregivers, acquaintances, friends, and family members. Financial crimes against the elderly can take many forms, and can be just as devastating as physical injuries, leaving victims isolated, vulnerable, and scared. This measure addresses this growing problem by criminalizing the financial and economic exploitation of a dependent elder and requiring financial institutions to report suspected financial abuse cases to the police.

Your Committee has amended this measure by:

- (1) Streamlining and renaming the offense of financial and economic exploitation of a dependent elder and categorizing the offense into various degrees depending on the value of the property exploited;
- (2) Changing the definition of "elder", as it applies in chapter 708 and section 412:3-114.5, Hawaii Revised Statutes, to mean any person who is sixty, rather than sixty-two, years of age or older;
- (3) Deleting the provision that creates enhanced penalties for a person who is convicted of financial and economic exploitation of a dependent elder in the course of committing or attempting to commit a felony, and causes the death or inflicts serious or substantial bodily injury upon a minor, elder, or handicapped person;
- (4) Deleting the provision that requires two signatures of unrelated persons as witnesses to the execution of a power of attorney for health care;
- (5) Amending section 412:3-114.5, Hawaii Revised Statutes, to require reporting of suspected financial abuse of an elder to an appropriate law enforcement agency, rather than the appropriate police department; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2314, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2314, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2712 Judiciary and Labor on S.B. No. 2030

The purpose and intent of this measure is to amend the Hawaii Public Procurement Code to allow a bidder to submit corrections or amendments to a list of joint contractors or subcontractors and other required information up to two days prior to the closing date for bid submissions.

Your Committee received testimony in support of this measure from the Building Industry Association of Hawaii; the General Contractors Association of Hawaii; Ralph S. Inouye Co., Ltd., General Contractor; and Royal Contracting Co., Ltd. Testimony in opposition to this measure was submitted by the Subcontractors Association of Hawaii.

Your Committee finds that this measure permits a bidder to ensure that all subcontractors who have submitted bids to the general contractor have met all of the requirements to perform the work on state and county projects, including meeting all licensing, bonding, and insurance requirements, as applicable. The additional time is necessary because in most cases the general contractor does not receive bid prices from the various subcontractors until shortly before the bid must be submitted to the state agency. However, your Committee further finds that this measure, as drafted, does not address how each agency would collect the subcontractors' bid submissions, and how that information would then be distributed to general contractors who may be planning to submit a bid proposal.

Your Committee recognizes that since this measure was heard by your Committee on Public Safety, Government Operations, and Military Affairs, the various stakeholders of this measure have met and developed language. Your Committee commends the stakeholders on reaching a compromise and has adopted their proposed language.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the amendments made to section 103D-302(b), Hawaii Revised Statutes, and replacing them with amendments made to section 103D-302(g), Hawaii Revised Statutes, to allow the chief procurement officer or head of a purchasing agency to allow the scope of work in a bid for a list subcontractor to be expanded within five working days of bid opening, with certain conditions, and to permit the reinstatement of certain subcontractors' licenses before an award is granted; and
- (2) Inserting an effective date of July 1, 2050, to ensure 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. 2030, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2030, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Gabbard).

SCRep. 2713 Judiciary and Labor on S.B. No. 2212

The purpose and intent of this measure is to repeal the congressional consent requirement for amendments made to the provision relating to community based governance on Hawaiian home lands.

Your Committee received testimony in support of this measure from the Council for Native Hawaiian Advancement, the Waianae Valley Homestead Community Association, and two private individuals. Testimony in opposition to this measure was submitted by two private individuals. The Department of the Attorney General submitted comments.

Your Committee finds that this measure allows the Department of Hawaiian Home Lands and the homestead associations to implement the partnerships originally encouraged and intended by the Legislature without congressional consent. Act 302, Session Laws of Hawaii 2001, amended the Hawaiian Homes Commission Act, 1920, as amended, to include two new sections, one of which relate to community based governance on Hawaiian home lands. The purpose of Act 302 is to promote increased self-governance by Hawaiian homestead community organizations over the affairs of their distinct native communities on Hawaiian home lands. However, Act 302 is effective only after it is approved by Congress, which has not yet occurred.

The Department of the Attorney General indicated to your Committee that simply repealing the congressional approval prerequisite would not effectively lift the congressional consent requirement under Act 302, Session Laws of Hawaii 2001. Additionally, the Department of Attorney General indicated that to effectuate the legislative amendment without congressional approval, the amendment must fall within certain exceptions stated in the Admission Act.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with language proposed by the Department of the Attorney General that:
 - (A) Enacts community based governance as a new section to the Hawaiian Homes Commission Act as intended by Act 302, Session Laws of Hawaii 2001; and
 - (B) Includes provisions that would exempt the amendment from the federal consent requirement; and
- (2) Inserting an effective date of July 1, 2050, to ensure 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. 2212, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2212, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Gabbard).

SCRep. 2714 (Majority) Ways and Means on S.B. No. 2339

The purpose and intent of this measure is to repeal the requirement that gasoline sold in the State contain ten per cent ethanol.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the existing ethanol mandate is intended to utilize local sources to contribute to the State's energy security and indigenous energy resource goals. However, ethanol production and fuel blending has yet to take place in the State because landowners, technology experts, and financiers have not yet executed the necessary agreements. Therefore, your Committee finds that the ethanol mandate reaps no economic benefit for Hawaii, requires the import of ethanol into Hawaii, creates an economic burden for our residents, and, therefore, should be repealed.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2339, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Kidani). Noes, 1 (Kim). Excused, none.

SCRep. 2715 (Majority) Ways and Means on S.B. No. 2511

The purpose and intent of this measure is to reduce the adverse impact of single-use checkout bag waste on Hawaii's precious and unique natural environment.

Specifically, this measure establishes an offset fee for the distribution of single-use checkout bags and directs that fee revenues be used to fund programs to mitigate the damaging effects of single-use checkout bags by protecting watersheds and increasing resilience to climate change.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources; Conservation Council for Hawaii; League of Women Voters of Hawaii; Times Supermarket and Big Save Supermarket; Retail Merchants of Hawaii; West Maui Mountains Watershed Partnership; Coordinating Group on Alien Species; Hawaii Food Industry Association; The Trust for Public Land; Surfrider Foundation; Safeway; Maui Invasive Species Committee; The Nature Conservancy; and twenty-four individuals. Your Committee received written comments on this measure from Tax Foundation of Hawaii; and Hawaii Conservation Alliance.

Your Committee finds that excessive use of single-use checkout bags presents an unnecessary hazard to the natural environment due to the polluting fossil fuel usually used to manufacture these bags and the improper disposal of bags that often pollutes streams and coral reefs and strangles and starves marine animals. Your Committee recognizes that the economy of the State depends in large part

on the pristine natural environment, which draws visitors from around the world. Your Committee further finds that this measure places Hawaii on par with several countries, as well as international and domestic cities, that have successfully implemented laws similar to this measure that have resulted in a significant reduction in single-use checkout bag usage, with associated fees expended on environmental protection programs.

Your Committee has amended this measure by:

- (1) Deleting the unnecessary reference to “independent contractors” in the definition of “business”;
- (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. 2511, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2511, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11, Ayes with Reservations (English, Espero, Kidani, Tokuda, Wakai). Noes, 1 (Slom). Excused, 2 (Kahele, Kim).

SCRep. 2716 (Majority) Ways and Means on S.B. No. 2512

The purpose and intent of this measure is to increase the amount of the allocation of the environmental response, energy, and food security tax to the energy security special fund and the agricultural development and food security special fund by thirty cents each.

In addition, this measure:

- (1) Extends the repeal date of the Hawaii Economic Development Task Force and renames it the Hawaii Food and Energy Security Council;
- (2) Extends until June 30, 2017, the repeal date of the amendments to the environmental response, energy, and food security tax enacted by Act 73, Session Laws of Hawaii 2010, including the allocations of the tax to the energy security special fund and the agricultural development and food security special fund; and
- (3) Appropriates \$8,000,000 from both the energy security special fund and the agricultural development and food security special fund to carry out the purposes of each fund.

Your Committee received written comments in support of this measure from The Nature Conservancy. Your Committee received written comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee finds that the members of the Hawaii Economic Development Task Force have committed their time and expertise during the past two years to develop a comprehensive approach to reversing the export of food and energy from the State. Extending the work of the Task Force, renamed the Hawaii Food and Energy Security Council in this measure, will facilitate the accelerated adoption and completion of renewable-energy projects, energy-efficiency programs, and agricultural infrastructure and development.

Your Committee has amended this measure by:

- (1) Deleting the increased allocation of the environmental response, energy, and food security tax to the energy security special fund and the agricultural development and food security special fund;
- (2) Deleting the extension of the amendments to the environmental response, energy, and food security tax enacted by Act 73, Session Laws of Hawaii 2010, including the allocations of the tax to the energy security special fund and the agricultural development and food security special fund;
- (3) Deleting all appropriations in the measure;
- (4) Changing the effective date to June 29, 2012, to ensure that the council’s extension takes effect prior to its abolishment pursuant to Act 73, Session Laws of Hawaii 2010; and
- (5) 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. 2512, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2512, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11, Ayes with Reservations (Wakai). Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kim).

SCRep. 2717 Ways and Means on S.B. No. 2166

The purpose and intent of this measure is to prevent waste, fraud, and abuse in the State’s medicaid and children’s health insurance programs.

Specifically, this measure:

- (1) Establishes the Health Insurance Waste, Fraud, and Abuse Task Force within the Department of Human Services to develop strategies, plans, and efforts to reduce medicaid fraud and abuse, including detecting fraud before payments are made; and
- (2) Requires the Health Insurance Waste, Fraud, and Abuse Task Force to submit report to the 2013 Legislature.

Your Committee received written comments in support of this measure from the Department of the Attorney General. Your Committee received written comments in opposition of this measure from the Department of Human Services.

Your Committee finds that nationwide, waste, fraud, and abuse cost state medicaid programs an estimated \$18,000,000,000 each year. Establishing a task force of directors, legislators, and representatives from consumer advocacy groups, hospitals, and health plans in Hawaii will assist in developing systems to discover medicaid fraud before payments are made on fraudulent claims.

Your Committee has amended this measure by:

- (1) Clarifying that the State's sunshine law (chapter 92, part I, Hawaii Revised Statutes) shall apply solely to the posting of meeting notices and giving testimony at the meetings;
- (2) Specifying that the Director of Human Services shall appoint the members of the task force without regard to section 26-34, Hawaii Revised Statutes; 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. 2166, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2166, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

SCRep. 2718 Ways and Means on S.B. No. 2178

The purpose and intent of this measure is to conduct a study to evaluate the current asset limits for public assistance programs, including the temporary assistance for needy families program, and assess the potential effects of changing the asset limits on those programs.

In addition, this measure requires the Department of Human Services to submit its findings and recommendations, including any proposed legislation, to the Legislature prior to the convening of the Regular Session of 2013.

Your Committee received written comments in support of this measure from the Department of Human Services and one individual.

Your Committee finds that the study required by this measure will provide a better understanding of the potential effects that changing asset limits would have on public assistance programs administered by the Department of Human Services. The findings and recommendations submitted to the Legislature by the Department of Human Services will assist the Legislature in setting future policy on this important issue.

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 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. 2178, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2178, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kim).

SCRep. 2719 Ways and Means on S.B. No. 2179

The purpose and intent of this measure is to require the Department of Taxation to coordinate an outreach initiative to raise awareness of the federal earned income tax credit among eligible taxpayers. This measure also makes an unspecified appropriation for this purpose.

Written comments in support of this measure were submitted by the Office of Hawaiian Affairs. Written comments were submitted by the Department of Human Services and Tax Foundation of Hawaii.

Your Committee finds that the federal earned income tax credit is a means for low income families to reduce their tax liability and, in many cases, receive a refund. Your Committee finds that over one hundred thousand families in Hawaii claim the federal earned income tax credit; however, the tax credit goes unclaimed by thousands of additional families who may be eligible to benefit from it. Your Committee finds that a program to raise awareness in Hawaii of the federal earned income tax credit may assist more families in claiming the credit and allow them to retain more of their income to use for food, housing, and other necessities.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage 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. 2179, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2179, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kim).

SCRep. 2720 (Majority) Ways and Means on S.B. No. 2579

The purpose and intent of this measure is to provide programs and services for sexually exploited children to prevent further victimization of the child and to ensure that a child protective response, rather than a criminal justice response, will be rendered.

Written comments in support of this measure were submitted by the Pacific Alliance to Stop Slavery; IMU Alliance; Tahirih Association; and two individuals. Written comments in opposition to this measure were submitted by the Department of Human Services. Written comments on this measure were submitted by the Department of Budget and Finance.

Your Committee finds that, under current state law, children who are coerced into prostitution can be prosecuted for prostitution offenses, even though they are the victims of sexual exploitation. Your Committee believes that this measure establishes a framework to combat the sex trafficking of children, while protecting sexually exploited children from being further victimized through prosecution.

Your Committee has amended this measure by:

- (1) Clarifying the terms “child and adolescent mental health division”, “child protection workers”, and “human trafficking service providers”;
- (2) Amending all instances of the term “sex trafficking of minors” to read “sex trafficking of children” to maintain consistency with federal law;
- (3) Clarifying the criteria for imposing monetary assessments to be deposited into the minor victims of prostitution special fund established by this measure;
- (4) Correcting various citations to the Hawaii Revised Statutes;
- (5) Deleting section 8 of the measure, relating to solicitation of prostitution near schools or public parks, as it relates to the prosecution of persons seeking the services of prostitutes; and
- (6) 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. 2579, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2579, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

SCRep. 2721 (Majority) Ways and Means on S.B. No. 2589

The purpose and intent of this measure is to require the Department of Human Services to automatically enroll former foster youth in an appropriate medical assistance program and continue to provide assistance to former foster youth until they reach the age of twenty-six years.

Written comments in support of this measure were submitted by the Office of Hawaiian Affairs; Hawaii Youth Services Network; Hawaii Appleseed Center for Law and Economic Justice; EPIC Ohana; and one individual. Written comments in opposition to this measure were submitted by the Department of Human Services.

Your Committee finds that former foster youth often do not have health insurance and, therefore, lack access to crucial medical services. The lack of health insurance may result in former foster youth having to make more visits to the emergency room, which in turn, may lead to high medical debt.

Your Committee recognizes, however, that automatic enrollment would preclude the option of refusing enrollment, for example, when former foster youth may already have health insurance coverage under an employer’s health plan. Further, allowing for a gradual increase in enrollment in the program would assist the Department in implementing this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of Human Services is required to offer and provide medical assistance to former foster youth; instead of automatically enrolling former foster youth;
- (2) Requiring that former foster youth meet the following criteria to receive medical assistance under this program:
 - (A) Are under the age of twenty-four on July 1, 2012; under the age of twenty-five on January 1, 2013; and under the age of twenty six on January 1, 2014;
 - (B) Were still in the foster care system when they reached the age of eighteen;
 - (C) Were enrolled in medicaid while in foster care; and
 - (D) Have a household income of up to three hundred per cent of the federal poverty level for Hawaii; and
- (3) 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. 2589, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2589, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10, Ayes with Reservations (English, Tokuda, Wakai). Noes, 3 (Kidani, Kim, Slom). Excused, 1 (Kouchi).

SCRep. 2722 Ways and Means on S.B. No. 2590

The purpose and intent of this measure is to establish a preference for allowing a child who has been or is at risk of being abused to remain in the family home and requiring the perpetrator of the abuse to leave the home.

More specifically, this measure establishes that where the child is placed in the foster care system, in the determination whether to continue the out-of-home placement, the burden is on the child's family to establish that it is in the best interest of the child to be removed from the home, rather than the alleged perpetrator.

Your Committee finds that this measure provides a viable alternative to current law to ensure continuity and consistency for a child who might otherwise need out-of-home placement.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2590, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2590, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2723 Ways and Means on S.B. No. 2536

The purpose and intent of this measure is to establish a task force on clean and sober homes and halfway houses.

The task force is directed to, among other things: develop a plan of accountability for clean and sober homes and halfway houses to ensure compliance with occupancy and other requirements; and balance community concerns with the needs of persons requiring clean and sober homes and halfway houses.

Your Committee finds that clean and sober homes and halfway houses provide a means for persons to return to the community through support in a home-like environment, without the rigid structure of a therapeutic care facility or therapeutic living program. Your Committee is aware of concerns expressed over the placement of these homes in residential communities and their compliance with existing laws and rules governing their operation. Your Committee acknowledges that the needs and concerns of the communities must be tempered with the needs of the individuals requiring support and believes this measure provides a mechanism to explore these complex issues and reach a sound approach.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2536 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2724 Ways and Means on S.B. No. 2268

The purpose and intent of this measure is to modify the dates inscribed on the memorial statue of Queen Liliuokalani on the grounds of the State Capitol to reflect the years of her coronation and death. Currently, the memorial statue bears the dates of Queen Liliuokalani's coronation and of the overthrow of the Government of Hawaii.

Your Committee received written comments in support of this measure from six individuals.

Your Committee finds that this measure appropriately recognizes the dignity of Queen Liliuokalani, who never relinquished her rights as a monarch of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2268 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. 2725 Ways and Means on S.B. No. 2214

The purpose and intent of this measure is to amend the process by which public sector health benefits contributions are negotiated under the State's public sector collective bargaining laws.

Specifically, the measure:

- (1) Repeals language deemed unconstitutional by the Supreme Court of the State of Hawaii;
- (2) Establishes that a public employer and an exclusive representative shall negotiate the state and county contribution amounts to the Hawaii Employer-Union Health Benefits Trust Fund for health benefit plans and group life insurance benefits for active employees;
- (3) Removes the prohibition against applying the impasse procedures of section 89-11, Hawaii Revised Statutes, to negotiations relating to contributions to the Hawaii Employer-Union Health Benefits Trust Fund;
- (4) Establishes that a decision of an arbitration panel is final and binding when the parties cannot reach an agreement with respect to the amounts of contributions paid by the State to the Hawaii Employer-Union Health Benefits Trust Fund;

- (5) Repeals the legislative relief option to determine public sector health benefits contributions when an impasse exists regarding the negotiation of state cost issues; and
- (6) Repeals the prohibition against striking over the issue of public sector health benefits contributions.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association. Your Committee received written comments on this measure from the Department of Budget and Finance and the Department of the Attorney General.

Your Committee finds that the existing collective bargaining laws lack an efficient dispute resolution procedure to resolve disagreements over contributions to the Hawaii Employer-Union Health Benefits Trust Fund. Existing law requires that the Legislature determine the pro rata share of each party if the employer and exclusive representative cannot agree on the amount of contributions. This measure will allow disputes over contributions to be resolved through impasse procedures, similar to other negotiable items, including a public employee's right to strike.

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. 2214, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2214, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10, Ayes with Reservations (Slom). Noes, none. Excused, 4 (Dela Cruz, Kahele, Kim, Kouchi).

SCRep. 2726 Ways and Means on S.B. No. 2493

The purpose and intent of this measure is to make a variety of amendments to the state campaign spending law.

More specifically, this measure:

- (1) Defines the term "matching payment period";
- (2) Amends the due dates for the preliminary primary and supplemental reports to align the law with present practice;
- (3) Requires the noncandidate committee report to show total contributions received and made by noncandidate committees; and
- (4) Increases the campaign expenditure limit of the prosecuting attorney.

Your Committee received written comments in support of this measure from the Campaign Spending Commission.

Your Committee finds that this measure will provide the Commission with the ability to better implement various programs of the office, align the law with present practice, and promote transparency of spending on independent campaign 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 S.B. No. 2493, 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. 2727 Ways and Means on S.B. No. 2261

The purpose and intent of this measure is to establish within the Department of Labor and Industrial Relations a permanent weed and seed program. This measure will also provide funds to maintain the current weed and seed operation and expand the program into other areas of the State.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations-Office of Community Services; Department of Human Services; Department of Education; Governor Stanford B. Dole Middle School; Linapuni Elementary School; Kalakaua Middle School; State of Hawaii Public Housing Authority; Meridian Pacific Limited; The Gentry Companies; Fort Street Mall-Business Improvement District; Cedar Assembly of God; Kalihi Baptist Church; Kaumakapili Church; Broadcast House of the Pacific Incorporated; TJ Mahoney and Associates-Ka Halo Ho'ala Hou No Na Wahine; Weed and Seed; Hawaii's Most Wanted Magazine; Kaahumanu Homes; Haseko Development Incorporated; Hawaii Literacy; Pacific Gateway Center; and ten individuals. Your Committee received written comments on this measure from the Department of Labor and Industrial Relations.

Your Committee finds that the success of the weed and seed program lies with the collaborative efforts of county, state, and federal law enforcement agencies; social service agencies; corporate entities; private businesses; nonprofit and faith-based organizations; schools; and private individuals. "Weeding" out the criminal element has provided the incentive to work together to maintain the positive change by "seeding" the community with programs, including citizen patrol walks, town hall meetings, community clean-ups, and educating children about making right choices in life.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2261 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. 2728 Ways and Means on S.B. No. 2224

The purpose and intent of this measure is to clarify that judgments are valid claims for purposes of encumbrances in the tax lien and encumbrance record.

In addition, this measure:

- (1) Allows a taxpayer to enter into a payment agreement with the Department of Taxation to avoid a lien and encumbrance recordation; and
- (2) Clarifies that, under certain conditions, state and county agencies are not required to pay a fee for the recording of an entry in the tax lien and encumbrance record.

Your Committee received written comments in support of this measure from the City and County of Honolulu, Division of Motor Vehicles, Licensing and Permits.

Your Committee finds that encumbrances on real property and motor vehicles are an effective mechanism for recovering outstanding debts. This measure will facilitate state and county agencies' use of the tax lien and encumbrance record to assist in the recovery of outstanding debts owed to the agencies.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2224, 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. 2729 Ways and Means on S.B. No. 2337

The purpose and intent of this measure is to provide the Department of Transportation with the authority and discretion to reach an agreement with an airport concession to extend the term of the concession and to modify and amend terms of any concession contract, lease, or permit in exchange for revenue-enhancing improvements that are made or paid for by the concession.

Your Committee finds that modernization and improvements at Hawaii's airport concessions have not kept pace with passenger needs and demands. A recent study indicates that the State's public airports are lacking in concession space and are not maximizing the revenues they could be receiving from airport concession operations with additional concession spaces and improved locations. Reportedly, these changes would not only pay for themselves, but would also generate additional revenues for the State's public airports. Your Committee recognizes the need to fast-track these improvements and simultaneously acknowledges the inconvenience and financial hardships that current public airport concessions may face in undertaking improvements at this time. Thus, your Committee believes that it is important that the Department of Transportation and airport concessions work together to achieve the improvements contemplated by this Act in an expeditious but fair and equitable manner, including extending the term of a concession lease or permit at the Department's discretion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2337, 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. 2730 Ways and Means on S.B. No. 2447

The purpose and intent of this measure is to increase the time period during which a new vehicle owner is exempt from obtaining a certificate of inspection from two years of the date of purchase to three years.

Your Committee received written comments in support of this measure from EAN Holdings, LCC. Your Committee received written comments in opposition to this measure from the Division of Motor Vehicle Licensing and Permits Administration, City and County of Honolulu; and Aloha Shell Service.

Your Committee finds that technological advances have sufficiently increased new vehicle safety and reliability so that increasing a new vehicle's exemption from inspection from two years to three years is appropriate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2447 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2731 Ways and Means on S.B. No. 2378

The purpose and intent of this measure is to focus conservation efforts under the legacy lands program.

Specifically, this measure:

- (1) Requires nonprofit land conservation organizations to provide a conservation easement, deed restriction, or covenant as a condition of public funding;
- (2) Requires, as a condition of public funding, that the Board of the Land and Natural Resources be made a full or partial owner of any conservation land provided by a state or county agency or nonprofit land conservation organization;
- (3) Allows the Board to grant exemptions from the easement requirements; and

- (4) Requires applicants to demonstrate the project's public benefit and to consult with the staff of the Department of Land and Natural Resources, Department of Agriculture, Agribusiness Development Corporation, and the Public Land Development Corporation.

Written comments in support of this measure were submitted by the Trust for Public Land.

Your Committee finds that this measure will help ensure the appropriate management of legacy lands by nonprofit land conservation organizations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2378, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

SCRep. 2732 (Majority) Ways and Means on S.B. No. 2692

The purpose and intent of this measure is to promote agricultural development in Hawaii and implement programs that support food security and safety by creating the agricultural development and food security program within the Department of Agriculture.

Written comments in support of this measure were submitted by the Land Use Research Foundation of Hawaii.

Your Committee finds that Hawaii's diversified agricultural industry must contend with global competition, threats from invasive pests, sustainability issues, and the need to maintain food security for the State. A collaborative approach between private industry and government is needed to develop and implement strategies that will help maintain Hawaii's agriculture industry and ensure its competitiveness both here and abroad. Accordingly, your Committee finds that the creation of an agricultural development and food security program will provide needed coordination, research, and support for the agriculture industry in Hawaii that will enable the industry to grow sustainably.

Your Committee notes that this measure designates the agricultural development and food security special fund, established in section 141-10, Hawaii Revised Statutes, as a source of funding for the agricultural development and food security program. However, section 141-10 will be repealed on June 30, 2015, pursuant to Act 73, Session Laws of Hawaii 2010. Accordingly, your Committee has amended this measure by adding a section that amends section 14 of Act 73, Session Laws of Hawaii 2010, to make the agricultural development and food security special fund permanent by removing the sunset date for the fund.

Your Committee has also made technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2692, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2692, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, 1 (Slom). Excused, none.

SCRep. 2733 Ways and Means on S.B. No. 2168

The purpose of this measure is to direct the Insurance Commissioner to join the Surplus Lines Insurance Multi-State Compliance Compact and enact the Surplus Lines Insurance Multi-State Compliance Compact.

Your Committee received written comments in support of this measure from Property Casualty Insurers Association of America.

Your Committee finds that Congress, in the federal Nonadmitted and Reinsurance Reform Act of 2010, intended for the states to adopt uniform requirements, forms, and procedures to facilitate the reporting, payment, collection, and allocation of premium taxes for surplus lines insurance. Your Committee further finds that participation in a multi-state compact is essential for the Insurance Division to continue to collect premium taxes on multistate surplus lines policies. Your Committee notes that \$8,000,000 to \$10,000,000 is collected annually on surplus lines policies.

Your Committee additionally finds that the preferred multi-state arrangement is the Surplus Lines Insurance Multi-State Compliance Compact, or SLIMPACT, which has the support of all three national state government associations: the National Conference of Insurance Legislators; the Council of State Governments; and the National Conference of State Legislatures. SLIMPACT has also been endorsed by the surplus and excess lines industry and major national property-casualty and producer organizations.

Your Committee notes that when this measure is enacted, Hawaii's membership will put SLIMPACT over its ten state threshold and will allow the compact to become fully operational.

Your Committee also notes that the Nonadmitted and Reinsurance Reform Act requirements took effect on July 21, 2011. Your Committee finds that if states are unable to adopt a comprehensive solution as intended by the Act, Congress could take further action. This could result in a loss of vital premium tax revenue, further federal preemption, and possible federal oversight in the business of insurance.

Your Committee has amended this measure by:

- (1) Changing all references from "promulgated" to "adopted" for purposes of consistency and agreement with the Model State Administrative Procedure Act of 1981 and chapter 91, Hawaii Revised Statutes;
- (2) Defining the term "stamping office" as the Insurance Division of the Department of Commerce and Consumer Affairs;
- (3) Deleting the definition of the term "home state of affiliated group" because the term is not necessary; 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. 2168, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2168, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14, Ayes with Reservations (Slom). Noes, none. Excused, none.

SCRep. 2734 Ways and Means on S.B. No. 2412

The purpose and intent of this measure is to implement measures that encourage timely payments to subcontractors for work performed on construction projects.

Written comments in support of this measure were submitted by the Ironworkers Stabilization Fund. Written comments in opposition to this measure were submitted by the Department of Design and Construction, City and County of Honolulu.

Your Committee finds that delayed payments to subcontractors for work performed on private and government construction projects threaten the economic viability of subcontractors and materialmen. Your Committee finds that the provisions in this measure, such as the delivery of a performance bond and interest penalties on unpaid balances, will encourage project owners and contractors to make prompt payment to subcontractors for the work that they performed on the project.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2412, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2412, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kim).

SCRep. 2735 Ways and Means on S.B. No. 2748

The purpose and intent of this measure is to:

- (1) Require holders of unclaimed property to remit all unclaimed property under their control with their November 1 report; and
- (2) Specify that compensation to professional locators that exceeds ten per cent shall be unenforceable except by the owner of the property.

Written comments in support of this measure were submitted by the Department of Budget and Finance.

Your Committee finds that this measure streamlines operations and establishes a maximum ten per cent fee structure for professional unclaimed property locators, as opposed to the current prohibition against "unconscionable" fees.

Your Committee further finds that section 523A-9, Hawaii Revised Statutes, currently requires reporters of unclaimed property to report all property by November 1 of each year and to remit the property by the following May 1. This measure would conform Hawaii's law to all other states by requiring the reporting and remittance of all unclaimed property by November 1 of each year.

Your Committee has amended this measure by:

- (1) Changing the effective date of the measure to July 1, 2050, to facilitate the further discussion of the measure;
- (2) Specifying that the compensation to professional locators be limited to no more than ten per cent of the value of the property; and
- (3) Making a technical nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2748, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2748, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2736 (Majority) Ways and Means on S.B. No. 2752

The purpose and intent of this measure is to authorize the Public Utilities Commission to allow electric utilities operating within the State to recover all power purchase costs.

Written comments in support of this measure were submitted by the Department of Budget and Finance, Public Utilities Commission, and Blue Planet Foundation.

Written comments in opposition to this measure were submitted by one individual.

Your Committee finds that financial rating agencies impute debt associated with power purchase agreements when establishing an electric utility's debt rating. This may result in greater difficulty for an electric utility to obtain favorable financing for capital improvements, which ultimately results in higher costs to customers. This measure will reduce the imputed debt levels of local electric utility companies, thus enhancing the financial strength and credit ratings of the electric utility companies. Your Committee finds that fiscally strong electric utility companies will ultimately benefit electric utility customers in the form of cheaper rates from lower costs of capital.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2752, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Kahele, Kidani, Kim, Ryan). Noes, 1 (Slom). Excused, none.

SCRep. 2737 (Majority) Ways and Means on S.B. No. 2760

The purpose and intent of this measure is to provide the resources and tools necessary to protect consumers of escrow services in an evolving regulatory environment.

Specifically, this measure:

- (1) Amends the bond requirements for escrow depositories;
- (2) Adjusts the fee schedule for services provided to escrow depositories by the Division of Financial Institutions of Department of Commerce and Consumer Affairs; and
- (3) Increases administrative fines for violations of escrow depository regulations.

Your Committee finds that escrow depository fees have not been reviewed in some time and that the fees collected by the Division of Financial Institutions for services provided to escrow depositories no longer reflect the cost of services provided by the Division. Increasing fees will bring them in line with the amount of work that must be performed by the Division. Additionally, your Committee finds that adjusting the bonding requirements will more accurately reflect the increased volume and amount of escrow transactions that now take place. Finally, your Committee finds that adjustments to penalty provisions will provide the Division of Financial Institutions with additional tools to ensure compliance with escrow depository regulations.

Your Committee has amended this measure by:

- (1) Adding a savings clause to ensure that the increased penalties provided by the measure are not applied to violations that occurred prior to its effective date;
- (2) Changing the effective date to July 1, 2050, to encourage 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. 2760, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2760, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Chun Oakland). Noes, 1 (Slom). Excused, none.

SCRep. 2738 (Majority) Ways and Means on S.B. No. 2761

The purpose and intent of this measure is to establish or amend specific regulatory fees charged by the Division of Financial Institutions for the review and analysis of financial institution requests.

Written comments were submitted by the Hawaii Bankers Association.

Your Committee finds that fees for the regulation of financial institutions by the Division of Financial Institutions have not been reviewed since 1993. This measure establishes fees that comport with the regulatory duties of the division. By increasing the hourly fee from \$40 to \$60, the measure more fairly compensates the Division for time spent by staff in responding to and analyzing requests from financial institutions.

Your Committee has amended this measure by:

- (1) Changing the effective date of this measure to July 1, 2050, to promote the further discussion of this measure;
- (2) Clarifying the statutory references and terms for the purposes of specificity, accuracy, and conformity; and
- (3) 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. 2761, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2761, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Chun Oakland). Noes, 1 (Slom). Excused, none.

SCRep. 2739 Ways and Means on S.B. No. 2764

The purpose and intent of this measure is to require every mortgage servicer who provides loan modification services that would require licensure as a mortgage loan originator to be licensed as a mortgage loan originator, in addition to being licensed as a mortgage servicer.

Your Committee finds that mortgage servicers provide a variety of services including some mortgage loan modification services that could be considered to be mortgage loan originator activities. Any licensed mortgage servicer providing these services must also be licensed as a mortgage loan originator. However, this requirement is not always evident to those who hold mortgage servicer licenses.

Your Committee believes this measure will help to clarify these distinctions and ensure that anyone providing mortgage loan origination services shall be properly licensed to do so.

Your Committee also notes the possibility that mortgage servicers may become required to register with the Nationwide Mortgage Licensing System. Your Committee further finds that, should that occur, this measure expands the Commissioner of Financial Institutions' authority to allow the Commissioner to work with the Nationwide Mortgage Licensing System and establish a program similar to the recently established program for mortgage loan originators and mortgage loan originator companies.

Your Committee has amended this measure by:

- (1) Providing a definition for the term "Nationwide Mortgage Licensing System";
- (2) Adding a savings clause to ensure that penalties provided by this measure are not applied to violations that occurred prior to its effective date; and
- (3) 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. 2764, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2764, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2740 Ways and Means on S.B. No. 2765

The purpose and intent of this measure is to update Hawaii's laws regulating captive insurance companies and ensure that risk retention captive insurance companies are in compliance with national industry standards.

Written comments in support of this measure were submitted by the State Insurance Commissioner, Department of Commerce and Consumer Affairs.

Your Committee finds that captive insurance companies domiciled in Hawaii provide significant business and economic advantages for the State. Accordingly, it is important for Hawaii to maintain a regulatory structure for this industry that ensures Hawaii continues to be an attractive business environment for captive insurance companies.

Your Committee finds that, in addition to updating and streamlining the captive insurance company law, this measure will provide greater flexibility for companies to insure captive risk, allow the Insurance Commissioner more flexibility in regulating the industry, and ensure that risk retention captive insurance companies comply with the accreditation standards of the National Association of Insurance Commissioners.

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. 2765, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2765, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2741 Ways and Means on S.B. No. 2766

The purpose and intent of this measure is to update the Insurance Code provisions relating to entities regulated by the Insurance Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure clarifies the licensing and regulation process relating to mutual benefit societies and health maintenance organizations, and revises fees and financial regulations to promote consistency with the laws regarding traditional insurance companies.

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. 2766, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2766, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2742 Ways and Means on S.B. No. 2769

The purpose and intent of this measure is to require the Insurance Commissioner to publish lists of homeowners and motor vehicle insurers, with respective annual premiums, on the Insurance Division's official website.

In addition, this measure allows the Insurance Commissioner to intervene to adjust insurance rates if the Insurance Commissioner determines that the rates are excessive, inadequate, or unfairly discriminatory.

Your Committee received written comments in support of this measure from Hawaii Insurers Council. Your Committee received written comments in opposition to this measure from American Insurance Association.

Your Committee finds that the publication requirements in this measure will allow Hawaii's consumers to compare insurance rates and to make more informed decisions when purchasing insurance. Additionally, authorizing the publication of this information electronically will provide the Insurance Commissioner with an alternative to address cost concerns associated with publication in a newspaper of general circulation.

Your Committee has amended this measure by:

- (1) Clarifying that the Insurance Commissioner's authority to mandate insurers to submit new filings for any type of insurance is in addition to the Insurance Commissioner's authority to adjust motor vehicle insurance rates pursuant to section 431:10C-209.5, Hawaii Revised Statutes;
- (2) Clarifying that if the insurer files a written request for a hearing on the Insurance Commissioner's disapproval of a rate filing, the existing effective rate shall remain in effect until the final order is rendered; 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. 2769, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2769, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 2743 (Majority) Ways and Means on S.B. No. 2787

The purpose and intent of this measure is to ensure the stability and reliability of the State's power grid.

Specifically, the measure authorizes the Public Utilities Commission to perform necessary electricity system reliability and grid access oversight functions, and allows the Commission to contract for the services of a Hawaii electricity reliability administrator to support the Commission in carrying out those critical functions throughout the State. Additionally, this measure authorizes the establishing of a surcharge affecting users, owners, and operators of Hawaii's electricity system, to be collected for the purpose of maintaining system reliability.

Written comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism; Public Utilities Commission, Department of Budget and Finance; and Blue Planet Foundation. Written comments on the measure were submitted by one individual.

Your Committee finds that the capability and accessibility of Hawaii's electricity system must be aligned with the State's ambitious renewable portfolio standard mandate and the various technologies that generate electricity at the distribution and transmission levels. Your Committee further finds that the Public Utilities Commission is best positioned to be, and should be, responsible for administering critical formal reliability standards to govern all segments of the electric power system and ensuring fair and transparent grid access to achieve Hawaii's lofty clean energy requirements.

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. 2787, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2787, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Chun Oakland, Dela Cruz, English, Fukunaga, Kahele, Kim, Ryan). Noes, 1 (Slom). Excused, none.

SCRep. 2744 Ways and Means on S.B. No. 2780

The purpose and intent of this measure is to appropriate moneys for the business and technology transformation initiative. This measure also authorizes issuance of general obligation bonds to develop and implement an integrated financial and human resource management system for the State.

Your Committee finds that this measure will help make state operations more efficient and improve services provided by its agencies to the public.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2780, 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. 2745 Ways and Means on S.B. No. 2895

The purpose and intent of this measure is to facilitate community development by establishing incentives to spur such initiatives.

Specifically, the measure:

- (1) Defines "community development entity" to allow financing to be provided by the State through a structure that facilitates the use of federal new markets tax credits;

- (2) Expands the methods of delivering funding to a project by providing loans to capitalize a community development entity and to provide guarantees or other credit enhancements that will facilitate private lenders' participation in new markets tax credit financing;
- (3) Adjusts loan maximums and establishes guarantees or credit enhancements to reflect current available funding and facilitates monetization of existing project assets for purposes of new markets tax credit financing; and
- (4) Establishes a state new markets tax credit.

Written comments on this measure were submitted by the Department of Business, Economic Development, and Tourism and the Tax Foundation of Hawaii.

Your Committee finds that the Hawaii community-based economic development technical and financial assistance program in the Department of Business, Economic Development, and Tourism, was established to provide financial assistance to community-based businesses and enterprises through low-interest loans and grants to qualifying applicants. Your Committee also finds that there are various programs provided by the federal government, nonprofit organizations, and foundations, as well as opportunities provided by public-private partnerships, that could help foster community-based economic development for various products and services that demonstrate and embrace Hawaii's diversified economy. Your Committee believes that this measure would allow project funding provided by the State to become more efficient and effective by providing the funding in the form most compatible with these programs and in the manner most suitable to optimize all sources of funding.

Your Committee also finds that the federal new markets tax credit program was created to facilitate projects in low-income communities, and the program has been used successfully in several other states. Your Committee believes that the state new markets tax credit established by this measure would serve to support efforts to revitalize low-income communities throughout the State.

Your Committee has amended this measure by:

- (1) Amending all references to "community development entity" to read "qualified community development entity", in accordance with section 45D(c)(1) of the Internal Revenue Code;
- (2) Deleting amendments to the State's income tax law to exempt certain entities that provide potable water;
- (3) Deleting sections 12 and 13 of the measure, relating to amendments made to the State's general excise tax law to exempt certain entities that provide potable water;
- (4) Specifying the taxable years to which part II of the measure would apply;
- (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 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. 2895, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2895, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2746 (Majority) Ways and Means on S.B. No. 3050

The purpose and intent of this measure is to optimize the strategic development of the State's film, television, digital, and new media development industries by partnering these industries with the State's tourism industry.

More specifically, the measure:

- (1) Assigns to the Hawaii Tourism Authority the responsibilities for film, television, digital, and new media development;
- (2) Repeals the film industry activities within the Department of Business, Economic Development, and Tourism; and
- (3) Requires the Hawaii Tourism Authority to restructure the debt service for state obligations related to the Hawaii Convention Center and fund the implementation of the film, television, digital, and new media development activities for fiscal year 2012-2013 and fiscal year 2013-2014 from the savings from any debt restructuring.

Written comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism.

Written comments on this measure were submitted by the Department of Human Resources Development and the Tax Foundation of Hawaii.

Your Committee finds that an alliance between the tourism industry and the film and television industry has the potential to synergistically benefit both industries. Your Committee believes that, by assigning responsibility for film, television, digital, and new media development to the Hawaii Tourism Authority, this measure provides a dynamic structure to develop programs and infrastructure to expand film, television, digital, and new media opportunities in the State.

Your Committee has amended this measure by:

- (1) Clarifying that the amendments to section 235-17, Hawaii Revised Statutes, made by this measure shall not be repealed when that section is reenacted on July 1, 2016, by section 4(2) of Act 88, Session Laws of Hawaii 2006;
- (2) Clarifying that the Hawaii Tourism Authority is authorized to enter into an agreement with the Department Budget and Finance to restructure debt service for state obligations related to the Hawaii Convention Center;

- (3) Providing that a portion of the moneys in the Film, Television, Digital, and New Media Development Special Fund, established by this measure, shall be used for the staffing and operation of the Hawaii Film Office and the operation and maintenance of the Hawaii Film Studio; and
- (4) 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. 3050, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3050, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Ryan, Slom). Excused, none.

SCRep. 2747 Ways and Means on S.B. No. 2288

The purpose and intent of this measure is to establish a two-year pilot program using the negotiated partner approach to execute energy savings performance contracts exempt from the requirements of the state procurement code.

Your Committee received written comments in support of this measure from one individual, and written comments in opposition to this measure from the Department of Accounting and General Services.

Your Committee finds that energy savings performance contracts are agreements between an agency and a company by which the company, without any initial agency funds, designs, finances, implements, and maintains changes to an agency facility to increase energy efficiency. The company guarantees that savings will be achieved due to the changes, and the agency agrees to pay the company a part of the resulting savings.

Your Committee further finds that requests for proposals can take eighteen to sixty months to complete. In contrast, the negotiated partner approach, by which an agency may negotiate directly with certain vendors exempt from the state procurement code, can bring about energy savings improvements in twelve to eighteen months. Your Committee further finds that this measure will result in cost savings to the State, improved energy efficiency in state facilities, and more construction jobs.

Your Committee has amended this measure by:

- (1) Deleting the specified dates for the operation for the pilot program to conform to other provisions in the measure;
- (2) Clarifying that title to an energy system being financed under the contract is transferred to the agency upon substantial completion of the project, as agreed to by the agency and lender;
- (3) Inserting reporting requirements for participating agencies to provide the Legislature with information on the results of the pilot program;
- (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 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. 2288, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2288, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14, Ayes with Reservations (Kim, Slom). Noes, none. Excused, none.

SCRep. 2748 (Majority) Ways and Means on S.B. No. 2785

The purpose and intent of this measure is to establish the regulatory framework for the development, financing, and use of a high-voltage undersea electric transmission cable system that will permit the transmission of power generated on one or more islands to an electric utility system located on another island of the State.

Written comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism; Public Utilities Commission, Department of Budget and Finance; Hawaii Association of Independent Schools; Land Use Research Foundation of Hawaii; BIA Hawaii; Blue Planet Foundation; General Contractors Association of Hawaii; and four individuals.

Written comments in opposition to this measure were submitted by one hundred forty-four individuals.

Written comments on this measure were submitted by two individuals.

Your Committee finds that the ability to interconnect the islands of the State for the purpose of transmitting power from one island to another will increase the State's ability to maximize use of the energy resources that it has available and reduce the State's reliance on imported energy sources. Your Committee finds that this measure lays the groundwork for the development, regulation, and financing of an undersea interisland transmission cable system that may connect the energy grids of each island.

Your Committee has amended this measure by:

- (1) Deleting from the electric utility's net investment the reference to "cable acquisition cost in the case of the high-voltage electric transmission cable system" to conform to other provisions in the measure;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, 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. 2785, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2785, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Chun Oakland, Dela Cruz, English, Espero, Fukunaga, Kim, Ryan, Wakai). Noes, 1 (Slom). Excused, none.

SCRep. 2749 (Majority Ways and Means on S.B. No. 2823)

The purpose and intent of this measure is to provide additional funding to the Department of Health's Office of Solid Waste Management, by increasing and differentiating the solid waste management surcharge for disposal at landfills, solid waste reduction facilities, and waste-to-energy facilities.

Your Committee finds that the solid waste management surcharge was last increased in 1997. Current annual revenue from the surcharge is approximately \$500,000, but the annual expenses of the Office of Solid Waste Management exceed \$600,000, despite vacancies, furloughs, salary reductions, and reductions in force. The increase in fees will enable the Office of Solid Waste Management to fund all program positions, provide better oversight to solid waste management facilities, process permit applications in a timely manner, and respond to the numerous complaints made by the public each year.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to promote further discussion; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2823, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2823, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

SCRep. 2750 Ways and Means on S.B. No. 2115

The purpose and intent of this measure is to adopt the recommendations of the Charter School Governance, Accountability, and Authority Task Force by repealing chapter 302B, Hawaii Revised Statutes, and establishing a new charter school law.

Written comments in support of this measure were submitted by the Department of Education; Board of Education; and Office of Hawaiian Affairs. Written comments in opposition to this measure were submitted by the State Procurement Office. Written comments on this measure were submitted by the Department of the Attorney General; Hawaii State Teachers Association; and Charter School Administrative Office.

Your Committee finds that this measure will strengthen Hawaii's charter school system and will move Hawaii's charter schools toward improved student outcomes. Your Committee recognizes that this measure continues to be a work in progress but believes that this measure will ultimately provide Hawaii with a strong charter school system that establishes clear lines of authority and ensures the accountability of all charter school stakeholders.

Your Committee has amended this measure by:

- (1) Amending the definition of "organizational viability" by:
 - (A) Clarifying that the Board of Education (Board) sets the standards of student achievement pursuant to the Board's duties under article X, section 3, of the Constitution of the State of Hawaii; and
 - (B) Requiring that a charter school comply with all Board policies deemed applicable to charter schools by the Board;
- (2) Clarifying that charter schools that held charters under previous or existing charter school laws shall be considered charter schools for purposes of this measure under a charter contract with the State Public Charter School Commission (Commission) unless the charter contract is revoked, transferred to another authorizer, or not renewed, or the charter school voluntarily closes;
- (3) Clarifying that the Board may fill vacancies on the Commission at any time when a vacancy occurs due to resignation, non-participation, the request of a majority of the Commission members, or termination by the Board for cause;
- (4) Specifying the types of entities that are eligible to be charter school authorizers under this measure;
- (5) Clarifying that when a charter school purchases services from its authorizer, the authorizer shall provide the charter school with an itemized accounting of the final invoiced amount rather than of the actual costs of the services purchased;
- (6) Clarifying that when a charter school is transferred to a new authorizer due to revocation of the current authorizer's chartering authority, the new authorizer shall enter into a new charter contract with the charter school for the remaining term of the charter;
- (7) Requiring governing boards to post the minutes of their meetings within thirty days of the meeting rather than on a timely basis;
- (8) Clarifying that any Department of Education (Department) school, school community council, group of teachers and administrators, or nonprofit organization that applies to become a conversion charter school is required to provide the

authorizer with a breakdown of the number of administrative, support, and teacher personnel, and parents that actually participated in the vote to convert to a charter school;

- (9) Clarifying that the majority vote of stakeholders shall be considered by the authorizer as the primary indication of stakeholder approval to convert to a charter school when the charter school applicant is a Department school, school community council, group of teachers and administrators, or nonprofit organization, and requiring that this vote be a key factor in an authorizer's decision to award a charter;
- (10) Clarifying that the governing board of a conversion charter school established by a nonprofit organization shall be comprised of the board of directors of the nonprofit organization;
- (11) Clarifying that the performance framework for the charter contract is developed by the authorizer;
- (12) Requiring that the performance framework include indicators, measures, and metrics for the organizational viability of the charter school;
- (13) Requiring the performance framework developed by an authorizer to allow for the inclusion of additional indicators proposed by the charter school; provided that the proposed indicators are consistent with the charter school's charter contract;
- (14) Requiring the Board, in its annual report to the Governor, Legislature, and the public, to include a comparison of charter school students' academic performance with the academic performance of geographically comparable groups in Department public schools;
- (15) Clarifying that the Board shall establish minimum educational data reporting standards rather than procedures;
- (16) Removing the requirement that all charter schools comply with Board-established minimum reporting procedures by the beginning of the 2013-2014 school year;
- (17) Requiring that the minimum educational data reporting standards established by the Board include data required for the Department, as the state education agency, to meet all applicable federal reporting requirements;
- (18) Clarifying that governing boards of charter schools cannot bring suit against any other entity or agency of the State;
- (19) Requiring the Director of Finance to ensure that non-facility per-pupil general fund amounts allocated for the Department and charter school students are equal on an annualized fiscal year basis by:
 - (A) Determining the sum of general fund appropriations made for the Department and charter school student non-facility costs;
 - (B) Determining the sum of Department and charter school student enrollment based on reviewed and verified student enrollment counts as of October 15;
 - (C) Determining a per-pupil amount by dividing the sum of general fund appropriations by the sum of student enrollment;
 - (D) Transferring a general fund amount between the Department and charter schools that will provide each with a per-pupil allocation equal to the amount determined on an annualized fiscal year basis; and
 - (E) Annually reporting to the Legislature, Governor, Department, and charter schools on all calculations and transfers made;
- (20) Repealing the charter schools account and requiring that any funds remaining in the account on the effective date of this measure be transferred to the general fund;
- (21) Clarifying that charter schools may elect to receive allocations calculated according to the Department's procedures and methodology used to calculate the weighted student formula allocation adopted pursuant to section 302A-1303.6, Hawaii Revised Statutes;
- (22) Clarifying that a student's parents or legal guardians are included in the student's individualized education program team;
- (23) Temporarily retaining the Charter School Administrative Office to properly transition from the current charter school system to the system established by this measure;
- (24) Making this measure effective upon its approval; provided that the establishment of the Charter School Administrative Office shall be repealed on July 1, 2013; and
- (25) Making 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. 2115, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2115, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Kahele, Kim).

SCRep. 2751 Ways and Means on S.B. No. 2348

The purpose and intent of this measure is to require the budget and supplemental budget submitted to the Legislature pursuant to sections 37-71 and 37-72, Hawaii Revised Statutes, to include financial requirements for general funds or general obligation bonds for projects authorized by the state educational facilities improvement special fund.

Your Committee received written comments in opposition to this measure from the Department of Budget and Finance.

Your Committee finds that the Department of Budget and Finance currently provides the budget and supplemental budget to the Legislature, which include program financial requirements and projects authorized by the state educational facilities improvement special fund.

Accordingly, your Committee has deleted the contents of this measure and replaced it with language that:

- (1) Repeals the requirement that general excise tax revenues be deposited in the state educational facilities improvement special fund;
- (2) Limits expenditures from the state educational facilities improvement special fund to projects authorized by the Legislature for fiscal years ending prior to July 1, 2013;
- (3) Limits lease payments required by financing agreements paid from the lease payments for schools account to those agreements entered into by the Department of Education prior to July 1, 2012;
- (4) Makes the measure effective upon approval; and
- (5) Makes 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. 2348, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2348, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Kahele, Kim).

SCRep. 2752 Ways and Means on S.B. No. 2484

The purpose and intent of this measure is to authorize a state income tax credit for certain expenses paid or incurred by school teachers, special education teachers, school librarians, and counselors employed by the Department of Education, charter schools, or private schools.

Your Committee finds that, in order to carry out their lesson plans, school teachers are often required to use their own funds to purchase classroom materials. Your Committee also finds that the tax credit provided in this measure would assist teachers by helping to offset some of these out-of-pocket expenses.

Your Committee has amended this measure by:

- (1) Clarifying what supplies are included in the definition of "certain expenses";
- (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. 2484, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2484, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 2753 Ways and Means on S.B. No. 2541

The purpose and intent of this measure is allow employment issues relating to public education to be negotiated through the collective bargaining process, by repealing various statutes covering these employer-employee issues.

Your Committee has amended this measure by clarifying that all existing rules, ordinances, executive orders, directives, or collective bargaining provisions are to be modified to conform to 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. 2541, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2541, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2754 Ways and Means on S.B. No. 2598

The purpose and intent of this measure is to propose amendments to article VII, section 12, and article X, section 1, of the Hawaii State Constitution to authorize the State to issue special purpose revenue bonds, and to use the proceeds from those bonds, to assist charter schools, not-for-profit corporations that support charter schools, and community development financial institutions that support charter schools.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs. Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that funding for facilities is one of the charter school system's greatest needs. Your Committee further finds that this measure would establish the constitutional authority to provide an additional method of financing to improve charter schools and the charter school system.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2598 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Ryan).

SCRep. 2755 Ways and Means on S.B. No. 2620

The purpose and intent of this measure is to abolish the Regents Candidate Advisory Council for the Board of Regents of the University of Hawaii.

Written comments in opposition of this measure were submitted by two individuals.

Your Committee finds that the Governor is required to appoint members to the University of Hawaii Board of Regents from among a list of candidates selected by the Regents Candidate Advisory Council. Your Committee also finds that, in the past, Senate confirmation for candidates who were recommended by the advisory council has proven difficult and has resulted in delays in filling vacant positions on the Board of Regents. Repealing the Regents Candidate Advisory Council would provide the Governor with flexibility to appoint qualified members to the Board of Regents without being limited to the list of candidates selected by the advisory council. Your Committee notes that this measure will only take effect upon an amendment to the Hawaii State Constitution that also repeals the role of the Regents Candidate Advisory Council in the appointment process.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2620, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13, Ayes with Reservations (Chun Oakland). Noes, none. Excused, 1 (Ryan).

SCRep. 2756 Ways and Means on S.B. No. 2651

The purpose and intent of this measure is to extend, for five years, the time the Department of Budget and Finance is authorized to issue special purpose revenue bonds for the purposes of assisting Hawaii Preparatory Academy to improve its educational facilities.

Your Committee finds that many of the school buildings on the Hawaii Preparatory Academy campus date back to the late 1960's and early 1970's and currently require infrastructure upgrades. Allowing Hawaii Preparatory Academy access to funds produced by special purpose revenue bonds for an additional five years will allow the Academy to make needed improvements without diverting funds from instructional activities. Your Committee further finds that the additional construction work will help to create jobs on the Big Island.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2651, 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. 2757 Ways and Means on S.B. No. 2652

The purpose and intent of this measure is to repeal the minimum hourly and per diem rates for substitute teachers and the requirement that wage adjustments for substitute teachers mirror the wage adjustments that are negotiated for public sector teachers through the collective bargaining process.

Written comments opposing this measure were submitted by four individuals. Written comments were submitted by one individual.

Your Committee finds that this measure provides the Board of Education with greater flexibility to determine wages and wage adjustments for substitute 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 is in accord with the intent and purpose of S.B. No. 2652, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13, Ayes with Reservations (Chun Oakland). Noes, none. Excused, 1 (Ryan).

SCRep. 2758 Ways and Means on S.B. No. 2773

The purpose and intent of this measure is to formally recognize the State Librarian as the top-level official, appointed by the Board of Education, responsible for administering the statewide library system. The measure also authorizes the State Librarian to appoint a secretary.

Your Committee received written comments in support of this measure from the Department of Human Resources Development.

Your Committee finds that formal transfer of the duties in this measure to the State Librarian is appropriate. Although the duties and responsibilities for acquisition of publications, expenditure of money, and related functions for the State Library were formally assigned to the Board of Education, the Board delegated these duties to the State Librarian many decades ago. Your Committee further finds that this measure will more accurately reflect the existing practices of the Board of Education and the State Library.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2773, 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. 2759 Ways and Means on S.B. No. 2775

The purpose and intent of this measure is to provide the Department of Education flexibility in administering and implementing the statewide school health services program by repealing:

- (1) Certain operational requirements established by law; and
- (2) The requirement that the Superintendent of Education adopt rules for the purposes of the program.

Your Committee finds that the unique qualities of the various communities served by the State's schools necessitates that schools be able to provide health programs and services that reflect the needs of their students as well as their community. This measure will allow the Department of Education to provide student health services to meet the continually diverse needs of the State's public school students.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2775, 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. 2760 Ways and Means on S.B. No. 2789

The purpose and intent of this measure is to support the State's efforts to hire and retain effective teachers.

Specifically, the measure restructures the Department of Education's teacher employment criteria by requiring:

- (1) That new teachers be employed for three years before they may qualify for tenure;
- (2) The Department of Education to hold educators accountable for facilitating student learning and growth;
- (3) The Department of Education to provide selected data to the Hawaii Teacher Standards Board; and
- (4) The Department of Education to submit reports to the Legislature on the status, effectiveness, actions taken, and legislative policies required for the performance management system.

Written comments in opposition to this measure were submitted by Hawaii State Teachers Association and IMUA Alliance.

Your Committee finds that effective teachers are the most important school-based factor for student achievement. Investing in educators will have significant impact on educational outcomes, including helping children achieve their full potential. Implementing evaluations to measure the effectiveness of teachers will also assist the Department of Education in identifying and promoting highly effective educators. Finally, your Committee finds that the provisions of this measure will demonstrate Hawaii's commitment to meeting its educational goals under the federal Race to the Top Program.

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. 2789, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2789, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Kaehele, Kim).

SCRep. 2761 Ways and Means on S.B. No. 2969

The purpose and intent of this measure is to provide funding for early learning programs of the State.

Specifically, the measure authorizes:

- (1) Taxpayers to designate \$25 of their state tax refund be paid to the early learning trust fund; and
- (2) The early learning trust fund to accept payments from income tax refunds.

Your Committee received written comments in support of this measure from the Early Learning Council. Your Committee received comments from the Department of Human Services; Tax Foundation of Hawaii; and Good Beginnings Alliance.

Your Committee finds that the Early Learning Council is entrusted with developing and administering the State's early learning system for prenatal to kindergarten children known as Keiki First Steps. Authorizing taxpayers to designate \$25 of their state tax refund be paid to the early learning trust fund will assist the Early Learning Council in meeting its funding needs.

Your Committee has amended this measure by:

- (1) Changing the taxable year for which this bill applies to years beginning after July 1, 2050, to promote further discussion; and
- (2) Making a technical nonsubstantive amendment to conform with recommended drafting conventions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2969, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2969, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14, Ayes with Reservations (Kim, Slom). Noes, none. Excused, none.

SCRep. 2762 (Majority) Ways and Means on S.B. No. 2994

The purpose and intent of this measure is to make public library facilities available for use by tax-exempt organizations formed for the purpose of supporting the libraries.

More specifically, this measure would require the head librarian of each library branch in the Hawaii State Public Library System to issue licenses, revocable permits, concessions, or rights of entry for the use of the facilities and grounds of that library to the Friends of the Library of Hawaii and any tax-exempt nonprofit corporation recognized under section 501(c)(3) of the Internal Revenue Code whose primary purpose is to support a library within the Hawaii State Public Library System.

Written comments in support of this measure were submitted by the Kuli'ou'ou Kalani Neighborhood Board No. 2 and three hundred seventy-one individuals. Written comments in opposition of this measure were submitted by the Mountain View Friends of the Library; Friends of the Library, Kona; Friends of the Library; Friends of Kailua Library; Friends of Waialua Library; Friends of the Library of Hawaii Board; Friends of the North Shore Library; Friends of the Library of Hawaii; and one hundred seventy individuals.

Your Committee finds that any entity that is a nonprofit corporation recognized under section 501(c)(3) of the Internal Revenue Code should be allowed to support a library in its community. Existing law authorizes the State Librarian to issue licenses, revocable permits, concessions, and rights of entry to only two specific entities. However, your Committee believes that the original intent of the existing law was to create ways to best support public libraries by encouraging public-private partnerships at the community level.

As such, your Committee has amended this measure by:

- (1) Amending section 312-2, Hawaii Revised Statutes, to clarify that the Board of Education may enter into an agreement with any tax-exempt nonprofit corporation recognized under section 501(c)(3) of the Internal Revenue Code to obtain the use of the books and property and income of that nonprofit corporation;
- (2) Amending section 312-3.6, Hawaii Revised Statutes, to authorize the deposit of moneys collected pursuant to section 312-3.8, Hawaii Revised Statutes, into the libraries special fund;
- (3) Amending section 312-3.8, Hawaii Revised Statutes, to:
 - (A) Require the head librarian of each library branch and the State Librarian to consult with the Board of Education when issuing licenses, revocable permits, concessions, or rights of entry for the use of library facilities and grounds;
 - (B) Remove the requirement that the head librarian of each library branch issue licenses, revocable permits, concessions, and rights of entry to the Friends of the Library of Hawaii and authorizing, rather than mandating, the head librarian of each library to do so;
 - (C) Remove all references to the Friends of the Library of Hawaii;
 - (D) Require the Board of Education to determine the amount of net income or proceeds received from the operation of any concession, vending machine, or other for-profit business enterprise within or on state library facilities that shall be deposited into the libraries special fund;
 - (E) Clarify that nothing in section 312-3.8, Hawaii Revised Statutes, shall be construed to require a library to issue a license, permit, concession, or right of entry in order for any entity to establish a tax-exempt nonprofit corporation recognized under section 501(c)(3) of the Internal Revenue Code whose primary purpose is to support and benefit that library or to donate funds exclusively to that library;
 - (F) Clarify that book sales held within, or on the grounds of, any state library facility shall not constitute a concession; and
 - (G) Require the Board of Education to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to carry out the purposes of section 312-3.8, Hawaii Revised Statutes;
- (4) Repealing section 312-3.7, Hawaii Revised Statutes, which established the Hawaii State Library Foundation Trust Fund;
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion of 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. 2994, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2994, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Ryan). Excused, 2 (Dela Cruz, Kim).

SCRep. 2763 (Majority) Ways and Means on S.B. No. 2306

The purpose and intent of this measure is to establish and appropriate funds for a long-term care task force and to establish the position of the Deputy Healthcare Transformation Coordinator.

Written comments in support of this measure were submitted by the Healthcare Association of Hawaii, Hawaii Alliance for Retired Americans, and United Self Help. Written comments were submitted by the Governor's Policy Office.

Your Committee finds that the fragmentation of the long-term care system is a major problem and that consolidating services into one department or division would streamline the long-term health care system. The task force created by this measure is required to determine the feasibility of consolidating existing state functions and funds relating to long-term care programs and services under a single executive department or division.

Your Committee has amended this measure by:

- (1) Clarifying that the Deputy Healthcare Transformation Coordinator shall serve as chairperson of the task force;
- (2) Clarifying that private citizen representatives are requested to serve as a representative on the task force, rather than mandated;
- (3) Specifying that the representative from the med-QUEST Division of the Department of Human Services shall be selected by the Director of Human Services;
- (4) Clarifying that the Deputy Healthcare Transformation Coordinator holds a position that is exempt from civil service and collective bargaining laws;
- (5) Deleting the reference to the Long-Term Care Commission, as a party that nominates the Deputy Healthcare Transformation Coordinator, since the Long-Term Care Commission is scheduled to be abolished at the end of the 2012 Regular Session; and
- (6) 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. 2306, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2306, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

SCRep. 2764 Ways and Means on S.B. No. 2310

The purpose and intent of this measure is to appropriate matching funds to the Department of Human Services for medicaid adult vision services.

Written comments in support of this measure were submitted by the Department of Human Services, Hawaii Primary Care Association, Waikiki Health Center, and Waimanalo Health Center.

Your Committee finds that the health of a person's vision is vital to a person's livelihood and ability to function. An appropriation for medicaid's adult vision services will ensure access to vision related healthcare for the vulnerable and indigent population.

Your Committee also finds that the federal government will appropriate moneys for medicaid adult vision services to match the State's contribution.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified sum to promote further discussion on this measure; and
- (2) 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. 2310, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2310, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

SCRep. 2765 Ways and Means on S.B. No. 2317

The purpose and intent of this measure is to provide support for caregivers of older adults and the disabled by establishing the following tax credits:

- (1) A small business caregiver leave tax credit;
- (2) A caregiver tax credit; and
- (3) A caregiver educational costs tax credit.

Written comments on this measure were submitted by the Tax Foundation of Hawaii.

Your Committee finds that, according to a report prepared by the Executive Office on Aging, by the year 2020, persons who are sixty years of age and older will constitute nearly one-third of Hawaii's adult population, and over one-third of those persons are expected to have functional disabilities. Your Committee believes that providing support for caregivers of the elderly population is critically important if individuals and families are to meet the multi-faceted needs of older adults and those with disabilities. Your Committee further finds that the tax credits established by this measure will assist family caregivers by mitigating the financial burden of caring for older adults and those with disabilities.

Your Committee has amended this measure by:

- (1) Clarifying the language relating to tax credit caps on the small business caregiver leave tax credit and the caregiver educational costs tax credit;
- (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. 2317, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2317, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kim).

SCRep. 2766 Ways and Means on S.B. No. 2320

The purpose and intent of this measure is to build a statewide system of support for Hawaii's older adults and their family caregivers.

Specifically, this measure appropriates funds to:

- (1) The Kupuna Care Program;
- (2) Catholic Charities for the Lanakila Multi-purpose Senior Center, Moiliili Senior Center, and Waikiki Community Center;
- (3) The Healthy Aging Partnership Program; and
- (4) Establish a wanderer's registry to protect individuals with Alzheimer's disease and related dementia.

Written comments in support of this measure were submitted by the Department of Community Services, City and County of Honolulu; Hawaii County Office of Aging; Catholic Charities of Hawaii; Healthcare Association of Hawaii; Hawaii Alliance for Retired Americans; Project Dana; Kau Rural Health Community Association Incorporated; Health Aging Partnership; and fifty-six individuals. Written comments were submitted by the Executive Office on Aging and Maui County Office on Aging.

Your Committee finds that the Kupuna Care Program has provided essential services to the State's elderly population since 1999 and is the State's only state funded home and community-based services program for older adults who do not qualify for other government or private assistance programs. Your Committee further finds that providing appropriations to the Kupuna Care Program and programs like it will benefit the community by enabling these programs to maintain services to the elderly population of the State.

Your Committee has amended this measure by:

- (1) Statutorily establishing the Kupuna Care Program within the Executive Office on Aging to provide affordable and quality home- and community-based services for adults sixty years of age and older and their family caregivers;
- (2) Changing the appropriations to unspecified sums to promote further discussion of this measure; and
- (3) 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. 2320, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2320, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

SCRep. 2767 (Majority) Ways and Means on S.B. No. 2467

The purpose and intent of this measure is to ensure access to health care for medicaid recipients.

Specifically, this measure:

- (1) Establishes a hospital sustainability fee assessed on provider fees on health care items or services provided by hospitals; and
- (2) Establishes a hospital sustainability program special fund to receive moneys from the hospital sustainability fee to receive federal medicaid matching funds under the QUEST expanded medicaid section 1115 demonstration waiver.

Your Committee received written comments in support of this measure from the Department of Human Services. Your Committee received written comments on this measure from the Department of Budget and Finance; Hawaii Medical Service Association; and the Hawaii Health Systems Corporation.

Your Committee finds that federal funding to help sustain Hawaii's hospitals may be accessed through a provider fee like the one now assessed in forty-six states and the District of Columbia. In Hawaii, provider fees would increase the State's ability to draw down additional matching federal funds at a time when constraints on the State's budget have forced a reduction in payments and benefits. The additional federal matching funds obtained under the fee program would reduce the amount of losses incurred by hospitals.

Your Committee notes the concerns of the Hawaii Health Systems Corporation and Healthcare Association of Hawaii, including:

- (1) The nearly three month lag time to recoup the amount of the sustainability fee paid from the enhanced reimbursements from QUEST and QEXA plans;
- (2) The lack of deadlines for the draw down of federal funds, payment of enhanced capitation rates to QUEST and QEXA plans, and enhanced reimbursements from QUEST and QEXA to the providers;
- (3) Specification of the data source used to assess the hospital sustainability fee;
- (4) Receipt of enhanced reimbursements by hospitals that are not participating providers for QUEST and QEXA; and
- (5) The possibility that the Department of Human Services may impose an administrative assessment in an amount that exceeds the actual cost of administering the fee program.

Your Committee has amended this measure by:

- (1) Correcting the citation to the definition of “hospital” in the Hawaii Administrative Rules; 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. 2467, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2467, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

SCRep. 2768 Ways and Means on S.B. No. 2592

The purpose and intent of this measure is to establish a children’s savings account program within the Department of Budget and Finance to:

- (1) Encourage children who were born or reside in Hawaii to save money; and
- (2) Promote and educate eligible children and their families on the importance of developing a savings account.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that the accrual of assets is essential to achieving financial security, creating economic opportunities, and leaving a legacy for future generations. This measure will provide individuals with tangible incentives to save money, which will lead to greater financial stability and self-sufficiency for Hawaii’s families.

Your Committee has amended this measure by:

- (1) Requiring the Department of Budget and Finance to consult with members of the Hawaii State Asset Building and Financial Education Task Force in adopting rules to administer the program;
- (2) 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. 2592, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2592, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12, Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Kim).

SCRep. 2769 Ways and Means on S.B. No. 2594

The purpose and intent of this measure is to provide for the safety and well-being of homeless persons and families in Hawaii.

More specifically, this measure:

- (1) Requires the Homeless Programs Office of the Department of Human Services to designate safe areas for homeless persons to reside in until permanent housing becomes available and to establish rules and a code of conduct for the designated safe areas;
- (2) Requires a partnership of the nonprofit and community service organizations and coordination with state and county law enforcement officials for the safety of the persons residing in the designated safe areas; and
- (3) Appropriates moneys for the establishment of designated safe areas.

Written comments in support of this measure were submitted by the Hawaii Appleseed Center for Law and Economic Justice. Written comments in opposition of this measure were submitted by the Department of Human Services and Partners in Care Oahu’s Coalition of Homeless Providers.

Your Committee finds that homelessness is a problem that is prevalent in this State and that this measure provides homeless persons and families a safe temporary shelter until permanent housing is available.

Your Committee has amended this measure by:

- (1) Codifying the language requiring the Homeless Programs Office to establish designated safe areas as a new statutory section in part XVII of chapter 346, Hawaii Revised Statutes;
- (2) Changing the phrase “designated safe areas” to “designated safe facilities”; and the phrase “minimal security” to “adequate security” for clarification purposes;
- (3) Changing the effective date to July 1, 2050, to promote the further discussion of this measure; and
- (4) Changing the amount appropriated to an unspecified amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2594, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2594, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12, Ayes with Reservations (Fukunaga). Noes, none. Excused, 2 (Dela Cruz, Kim).

SCRep. 2770 Ways and Means on S.B. No. 2605

The purpose and intent of this measure is to promote oral health by:

- (1) Requiring the Department of Health to educate the public about proper oral hygiene for children; and
- (2) Appropriating funds for an electronic system to track data on children's dental health.

This measure also provides that the fees the State pays to dentists for services provided to public assistance recipients are to be determined by the Department of Human Services, rather than the medicaid fee schedule.

Your Committee received written comments in support of this measure from Good Beginnings Alliance.

Your Committee finds that Hawaii is last among states for children's dental health due, in part, to lack of education and lack of a system for tracking children's dental health. Your Committee finds that education provided by the Department of Health and the Hawaiian Islands Oral Health Task Force will increase public awareness of proper oral hygiene for children and will decrease the rate of tooth decay in Hawaii. Your Committee also finds that appropriating funds for an electronic system to track children's dental health will assist the State in targeting programs to reduce tooth decay and other dental problems.

Your Committee has amended this measure by:

- (1) Requiring the Department of Health, Family Health Services Division, with the assistance of the Hawaiian Islands Oral Health Task Force, to perform the public education program;
- (2) Specifying that the portion of the public education program regarding dental sealants concerns sealants for children not exceeding eighteen years of age;
- (3) Requiring education about regular semiannual dental visits instead of annual dental visits;
- (4) Changing the effective date to July 1, 2050, to promote further discussion; 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. 2605, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2605, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kim).

SCRep. 2771 (Majority) Ways and Means on S.B. No. 2659

The purpose and intent of this measure is to make appropriations from the emergency and budget reserve fund to support programs for health, safety, welfare, and education.

Written comments in support of this measure were submitted by the Judiciary; University of Hawaii; Kihei Elementary School; Policy Advisory Board for Elder Affairs; Maui Medical Group; Hawaii Alliance for Retired Americans; Hawaii Disability Rights Center; Read Aloud America Incorporated; Hawaii Centers for Independent Living; Legal Aid Society of Hawaii; Hale Moaolu; Hawaii Appleseed Center for Law and Economic Justice; and twenty-four individuals. Written comments were submitted by the Department of Budget and Finance; Department of the Attorney General; Department of Education; and nine individuals.

Your Committee finds that the recent economic downturn persists in creating economic problems for businesses and industries in the State. Stagnant economic growth has resulted in reduced tax revenues for the State, leading to budget cuts for many state and county programs, including those that provide services to some of the most vulnerable members of society. Your Committee finds that the appropriations in this measure will help maintain funding levels for many programs and services that support the health, education, safety, and welfare of Hawaii's population.

Your Committee has amended this measure by:

- (1) Clarifying that the appropriation to fund the Housing First Pilot Program will be under the purview of the Department of Human Services;
- (2) Deleting an appropriation to provide funding for grants to Kapi'olani Medical Center for Women and Children for the sex abuse treatment center for statewide sex assault services;
- (3) Adding an unspecified appropriation for grants to provide funding to the Hawaii Meth Project for methamphetamine use prevention programs, to be expended by the Department of Human Services; 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. 2659, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2659, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 3 (Dela Cruz, Kim, Tokuda).

SCRep. 2772 Ways and Means on S.B. No. 2779

The purpose and intent of this measure is to establish and appropriate funds for the Aging and Disability Resource Centers Program for purposes of streamlining and increasing access to long-term supports and services.

Your Committee received written comments in support of this measure from the Executive Office on Aging and the Department of Community Services, City and County of Honolulu. Your Committee received written comments from the Maui County Office on Aging.

Your Committee finds that establishing Aging and Disability Resource Centers in each county will assist people in accessing and navigating the complex state long-term care system. Centralizing the application processes will increase access to programs and ensure that services will be provided to the most economically needy seniors and disabled persons.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount for purposes of further discussion; 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. 2779, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2779, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2773 Ways and Means on S.B. No. 2804

The purpose and intent of this measure is to permanently establish and appropriate funds to the Hawaii Interagency Council on Homelessness within the Department of Human Services.

Written comments in support of this measure were submitted by the Department of Health; Office of Hawaiian Affairs; Catholic Charities Hawaii; Leeward Housing Coalition; Hawaii Youth Services Network; Hawaii Catholic Conference; and one private citizen. Written comments were submitted by Partners in Care.

Your Committee finds that homelessness is a multifaceted problem and that this measure will provide the tools necessary to develop an enduring solution to the problem of homelessness in Hawaii.

Your Committee has amended this measure by:

- (1) Specifying that the Council shall submit a report on its progress to the Governor, Mayors, and Legislature no later than twenty days prior to the convening of each Regular Session of the Legislature;
- (2) Clarifying that federal officials and private citizens are requested and not mandated to serve on the Hawaii Interagency Council on Homelessness;
- (3) Deleting the specific appropriation amount for the purpose of facilitating further discussion of 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. 2804, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2804, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13, Ayes with Reservations (Dela Cruz). Noes, none. Excused, 1 (Kouchi).

SCRep. 2774 Ways and Means on S.B. No. 2811

The purpose and intent of this measure is to abolish the requirement established by Section 2 of Act 213, Session Laws of Hawaii 2008, for the Department of Human Resources Development to report annually to the Legislature on expenditures of qualified community rehabilitation programs and related activities.

Your Committee finds that the Department of Human Resources Development does not contract with qualified community rehabilitation programs. Consequently, the Department of Human Resources Development does not have any data to report on behalf of the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2811 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2775 (Majority) Ways and Means on S.B. No. 2632

The purpose and intent of this measure is to reduce the Land Court recording and registration backlog by:

- (1) Requiring new fee time share interests to be recorded in the regular system instead of Land Court;
- (2) Streamlining the process for updating certificates of title for remaining fee time share interests; and
- (3) Allowing the Bureau of Conveyances to charge a fee for the recording of time share interests deeds.

Your Committee received written comments in support of this measure from the Judiciary; American Resort Development Association; and Wyndham Vacation Ownership.

Your Committee finds that it is appropriate to exclude fee time share interests from the Land Court system. Inclusion of fee time share interest in the Land Court system, for which it was not designed, along with the recent increase in time share purchases, has placed a burden on the system and were factors in causing the current backlog. Requiring filing in the regular system will help to alleviate the backlog and expedite the recording of fee time share interests.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2632, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Ryan). Noes, 1 (Slom). Excused, none.

SCRep. 2776 Ways and Means on S.B. No. 2105

The purpose and intent of this measure is to require the Director of Health to convene a mental health and substance abuse parity working group to determine how the State can achieve compliance with federal mental health and substance abuse parity laws and regulations and enhance existing state parity laws.

Your Committee received written comments in support of this measure from the Hawaii Substance Abuse Coalition. Your Committee received written comments on this measure from the Department of Health.

Your Committee finds that treatment for behavioral health disorders continues to be costlier and more difficult to obtain than general medical care. Pursuant to federal rules, group health plans are required to have no more restrictions on mental health and substance abuse disorders than on medical or surgical benefits. States may comply with federal rules or enact parity laws that are even more comprehensive than what is required by federal rules.

Your Committee notes that according to written comments submitted by the Department of Health, Hawaii achieved parity in health insurance coverage for serious mental illness by enactment of section 431M-5(c), Hawaii Revised Statutes. However, the Department of Health recommends restoring the substance abuse coverage parity provision in Part V of Act 44, Session Laws of Hawaii 2004, which was repealed on June 30, 2011.

Your Committee is supportive of a working group to determine how the State should proceed with federal mandates regarding mental health and substance abuse parity laws and regulations and enhancements to existing and repealed state parity laws; provided that any recommendations on improving the behavioral health care system should emphasize primary and secondary prevention and de-stigmatization.

Your Committee has amended this measure by:

- (1) Clarifying that the members of the working group representing private entities shall be selected by the Director of Health;
- (2) Reauthorizing the substance of Part V of Act 44, Session Laws of Hawaii 2004; 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. 2105, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2105, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Tokuda, Slom).

SCRep. 2777 Ways and Means on S.B. No. 2472

The purpose and intent of this measure is to improve the delivery of health care services provided under med-QUEST plans.

Specifically, the measure improves the delivery of health care by:

- (1) Establishing the med-QUEST patient-centered medical home initiative;
- (2) Identifying responsibilities for the coordination and evaluation of the patient-centered medical home model; and
- (3) Appropriating funds for these purposes.

Your Committee received written comments on this measure from the Office of the Governor, State of Hawaii.

Your Committee finds that, among many other troubling issues, uncoordinated health care results in duplicative procedures, conflicting treatment recommendations, unnecessary hospitalizations and nursing home placements, and adverse drug reactions. Your Committee further finds that this measure will provide improved outcomes for patients and better services for enrollees in state medicaid programs.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of Human Services shall present an overview of the program's design 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 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. 2472, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2472, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kahele, Kim).

SCRep. 2778 (Majority) Ways and Means on S.B. No. 2631

The purpose and intent of this measure is to require coverage for treatment of autism spectrum disorders by all accident and health or sickness insurers, mutual benefit societies, and health maintenance organizations.

Your Committee received written comments in support of this measure from Hawaii Disability Rights Center, Hawaii Academy of Physicians, Papa Ola Lokahi - Native Hawaiian Health Board, Autism Speaks, Autism Behavior Consulting Group, and ten individuals.

Your Committee received written comments in opposition to this measure from the Department of Budget and Finance, Kaiser Permanente Hawaii, and Hawaii Financial Services Association.

Your Committee received comments on this measure from the American Council of Life Insurers.

Your Committee acknowledges the seriousness of autism spectrum disorders and recognizes the impacts that these disorders have on patients and their families. However, your Committee finds that recent changes in insurance and health care law may affect the availability of the coverage required by this measure in ways that are not clear, and further study is needed.

Your Committee notes that, in 2009, the Auditor submitted to the Governor and the Legislature a report entitled *Study of the Social and Financial Impacts of Mandatory Health Insurance Coverage for the Diagnosis and Treatment of Autism Spectrum Disorders*. Accordingly, your Committee requests that the Auditor update this 2009 report based upon the services proposed by this measure and in light of the changes to insurance coverage required by the federal Patient Protection and Affordable Care Act.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical nonsubstantive amendments for purposes of clarity, 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. 2631, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2631, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, 1 (Dela Cruz).

SCRep. 2779 Ways and Means on S.B. No. 2797

The purpose and intent of this measure is to continue to provide access to psychotropic medications to patients who receive medical assistance coverage. Specifically, this measure continues the requirement that an individual must try generic medications twice unsuccessfully before the individual's medical assistance health plan provides coverage for a brand-name psychotropic prescription drug.

Written comments in support of this measure were submitted by the Hawaii Association of Health Plans and 'Ohana Health Plan. Written comments were also submitted by the Hawaii Disability Rights Center and United Self Help.

Your Committee finds that Act 205, Session Laws of Hawaii 2010, has proved to be beneficial for both patients and health plans. The use of generic drugs lowers costs for QUEST, QUEST Expanded Access, and fee-for-service programs administered by the Department of Human Services, as well as the patient, and the patients are still able to receive brand-name medications, if appropriate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2797, 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. 2780 Ways and Means on S.B. No. 2827

The purpose and intent of this measure is to add the costs of staffing and operating the State's injury prevention program to those costs that are subsidized by the trauma system special fund.

Written comments in support of this measure were submitted by the Injury Prevention Advisory Committee and one individual. Written comments were also submitted by the Hawaii Bicycling League.

Your Committee finds that since injury prevention is essential to reducing traumatic injuries, it is in the best interest of the State to have the costs of the State's injury prevention program funded by the Trauma System 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 S.B. No. 2827, S.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. 2781 Ways and Means on S.B. No. 2939

The purpose and intent of this measure is to authorize the issuance of \$80,000,000 in special purpose revenue bonds to assist St. Francis Healthcare System of Hawaii, a Hawaii nonprofit corporation, to finance the construction, improvement, and acquisition of equipment of its health care facilities.

Written comments in support of this measure were submitted by the Laborers' Union Local 368.

Your Committee finds that it is in the public interest and for the public health, safety, and general welfare to assist in the improvement of the health care system for residents of the State. This measure will allow St. Francis Healthcare System of Hawaii to redesign, upgrade, and renovate buildings, upgrade the courtyard and parking garage, modernize technology and equipment, refinance debt, and finance other related projects.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2939, 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. 2782 Ways and Means on S.B. No. 2792

The purpose and intent of this measure is to provide an additional revenue stream for the native Hawaiian rehabilitation fund by requiring geothermal royalties collected by the State from mining leases executed after July 1, 2012, and revenues from the disposition of state lands to nongeothermal renewable energy producers made after July 1, 2012, to be deposited into the fund.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Mokupuni O Oahu, Waianae Kai Homestead Community Association, Sovereign Councils of the Hawaiian Homelands Assembly, Nanakuli Hawaiian Homestead, and Kewalo Hawaiian Homestead Community Association.

Your Committee finds that the decline of sugarcane production in the State and the change in management of these lands has resulted in a significant decline in deposits to the native Hawaiian rehabilitation fund. The allocation of funds required by this measure to the native Hawaiian rehabilitation fund will provide a needed revenue stream for the fund to continue existing programs that benefit native Hawaiians, native Hawaiian families, and Hawaiian homestead communities.

Your Committee has amended this measure by:

- (1) Providing that fifteen per cent of geothermal royalties collected by the State pursuant to section 182-7 and 182-18, Hawaii Revised Statutes, from mining leases executed after July 1, 2012, shall be deposited into the native Hawaiian rehabilitation fund;
- (2) Providing that thirty per cent of all revenues collected by the State from the disposition of state lands to nongeothermal renewable energy producers made after July 1, 2012, pursuant to section 171-95, Hawaii Revised Statutes, shall be deposited into the native Hawaiian rehabilitation fund;
- (3) Decreasing the allocation to the counties of all royalties received by the State from geothermal resources from thirty per cent to twenty-five per cent;
- (4) Providing that the payment of royalties to the State for the utilization of geothermal resources shall be no less than twelve per cent of the gross amount or value of the geothermal resources produced under the lease; and
- (5) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2792, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2792, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

SCRep. 2783 Ways and Means on S.B. No. 3071

The purpose and intent of this measure is to appropriate funds for fiscal year 2012-2013 for the Ho'okulaiwi: 'Aha Ho'ona'auao 'O'iwi, the program for Native Hawaiian and indigenous education, within the University of Hawaii at Manoa.

Written comments in support of this measure were submitted by the University of Hawaii System, Sovereign Councils of Hawaiian Homelands Assembly, and three individuals.

Your Committee finds that there is a shortage of high quality teachers in public schools, especially Native Hawaiian teachers. Your Committee further finds that there is a need for increased opportunities for Native Hawaiian language and culture in the public school curricula. The Ho'okulaiwi: 'Aha Ho'ona'auao 'O'iwi initiative is a program that is dedicated to increasing the numbers of fully licensed teachers, particularly Native Hawaiian teachers.

Your Committee finds that this measure will enable community-based teacher preparations and curriculum development initiatives to prepare qualified teachers and help to establish more permanent faculty positions on the University of Hawaii at Manoa campus.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount for fiscal year 2012-2013 for the purpose of facilitating further discussion of the measure;

- (2) Clarifying that Ho'okulaiwi is not a "center", but a "program" within the College of Education at the University of Hawaii at Manoa; and
- (3) 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. 3071, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3071, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2784 Ways and Means on S.B. No. 3053

The purpose and intent of this measure is to establish the Aha Moku Advisory Committee within the Office of Hawaiian Affairs to serve in an advisory capacity to the Chairperson of the Board of Trustees of the Office of Hawaiian Affairs.

In addition, this measure establishes a reduced quorum requirement for Island Burial Council meetings to help facilitate the meetings and business of the Council on each island.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources; Ko'olaupoko Hawaiian Civic Club; Land Use Research Foundation of Hawaii; Kako'o Oiwai; Pacific and Asian American Center for Theologies and Strategies; Maunaloa Hawaiian Civic Club; Ko'olau Foundation; Oahu Council Association of Hawaiian Civic Clubs; and two individuals. Your Committee received written comments on this measure from the Society for Hawaiian Archaeology and one individual.

Your Committee finds that the native Hawaiian culture has knowledge that has been passed on for generations for the purpose of perpetuating traditional protocols, care for and protecting the environment, and strengthening cultural and spiritual connections. The Aha Moku Advisory Committee established in this measure will help foster understanding and practical use of native Hawaiian methodology and expertise to promote responsible stewardship of Hawaii's environment.

Your Committee has amended this measure by changing the appropriation amount to an unspecified sum to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3053, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3053, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2785 Ways and Means on S.B. No. 2639

The purpose and intent of this measure is to facilitate a Hawaiian Home Lands lessee's ability to expeditiously occupy the lessee's homestead lot.

Specifically, the measure authorizes the Department of Hawaiian Home Lands to allow a Hawaiian Home Lands lessee to settle on a vacant homestead lot that has already been awarded to the lessee in a temporary structure for up to five years after the lot award date while a legal, permitted, and permanent dwelling is being constructed.

In addition, this measure requires the Department of Hawaiian Home Lands to conduct a public awareness campaign to educate affected communities about the provisions of this measure.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs, Sovereign Councils of the Hawaiian Homelands Assembly, Mokupuni O Oahu, Waianae Kai Homestead Community Association, Hawaiian Homestead Community Association, and Kewalo Hawaiian Homestead Community Association. Your Committee received written comments on this measure from Aupuni O Hawaii.

Your Committee finds that there is an extremely long waiting period for native Hawaiians to be placed on Hawaiian Home Lands, due in part to the delay caused by the process of funding, planning, designing, and constructing infrastructure for vacant undeveloped lots. This measure will allow eligible native Hawaiians to more quickly be placed on Hawaiian Home Lands, without having to wait for development infrastructure to be built, while still meeting basic habitation requirements and relevant federal regulations.

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. 2639, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2639, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2786 Ways and Means on S.B. No. 2671

The purpose and intent of this measure is to clarify the authority of the Hawaii Labor Relations Board to appoint attorneys and paralegals on a part-time or contract basis to represent the board, draft legal documents, and perform other necessary legal services.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, Hawaii Labor Relations Board, and University of Hawaii Professional Assembly.

Your Committee finds that the amendments made by this measure will allow the Board to hire attorneys and paralegals to perform legal services to address an existing backlog of cases and provide other necessary services.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2671, 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. 2787 Ways and Means on S.B. No. 2738

The purpose and intent of this measure is to appropriate funds to satisfy settlements of claims against the State, its officers, or employees.

Your Committee received written comments from the Department of the Attorney General.

Your Committee finds that the \$1,899,814.01 appropriated from the general fund and the \$210,000.00 appropriated from the state highway fund, for settlement of the eleven claims, are appropriate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2738, 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 (Kahele, Kouchi).

SCRep. 2788 Ways and Means on S.B. No. 2701

The purpose and intent of this measure is to clarify the Hawaii Employer-Union Health Benefits Trust Fund law.

Specifically, this measure:

- (1) Adds the definition of “credited service” for the purpose of comporting with the use of the term “service” under the pension and retirement laws; and
- (2) Amends the definitions of “employee” and “part-time, temporary, and seasonal or casual employee” for the purpose of comporting with existing public employee health benefits laws by clarifying that:
 - (A) An “employee” does not include a per diem employee; and
 - (B) A “part-time, temporary, and seasonal or casual employee” is a person that is employed for fewer than three months or whose employment is less than one-half of a full-time equivalent position, not necessarily both.

Your Committee finds that the amendments set forth in this measure are necessary to better reflect the Legislature’s intent to provide health fund benefits to public sector employees based upon their status as an employee and what should be deemed as credited service.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2701, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

SCRep. 2789 Ways and Means on S.B. No. 2753

The purpose and intent of this measure is to authorize the Board of the Employer-Union Health Benefits Trust Fund (trust fund) to create a trust fund for employer contributions that will prefund post-employment health and other benefit plan costs for retirees and their beneficiaries.

Written comments in support of this measure were submitted by the Department of Budget and Finance, Hawaii State Teachers Association, Hawaii Employer-Union Health Benefits Trust Fund, City and County of Honolulu, and Kauai County Council.

Your Committee finds that this measure will enable the establishment of a separate irrevocable trust for the other post-employment benefits that include various non-pension benefits, such as health care, that are made available to retirees. While there is no obligation to pre-fund other post-employment benefits, the Government Accounting Standards Board’s requirement of this separate irrevocable trust will allow a public employer to use a higher discount rate in calculating its unfunded liability, which reduces the other post-employment benefits liability reported in its financial statements.

Your Committee also finds that other post-employment benefits funds held by the trust fund are currently being shown in employer financial reports as donations and not as other post-employment benefit contributions. The trust fund was made aware of this in their June 30, 2010, financial report which was issued in April 2011.

Your Committee further finds that this measure is necessary to ensure that prefunded contributions that are made by the public employers are used for its intended purpose and that public employers who make these contributions receive the proper credit for the other post-employment benefit contributions on their financial statements.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2753, 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. 2790 Ways and Means on S.B. No. 2750

The purpose and intent of this measure is to address the Employees' Retirement System's unfunded liability by amending the law regarding the calculation of a member's average final compensation, to prevent pension spiking.

More specifically, this measure:

- (1) Requires a public employee's last state or county employer to pay to the Employees' Retirement System the present value of additional benefits resulting from pension spiking; and
- (2) Limits the amount of compensation to be considered in an Employees' Retirement System member's average final compensation benefit calculation, by excluding from the calculation formula, late career compensation spikes that are attributable to non-base pay compensation, including overtime.

Your Committee received written comments in support of this measure from the Department of Budget and Finance; and the Employees Retirement System. Your Committee received written comments in opposition to this measure from the City and County of Honolulu Police Department; and one individual. Your Committee received written comments on this measure from the Hawaii State Teachers Association; Honolulu Fire Department; City and County of Honolulu; and one individual.

Your Committee finds that pension spiking is a process whereby a public sector employee significantly increases the employee's compensation, through overtime or other similar opportunities, in the years immediately preceding retirement so that the resultant pension is abnormally inflated in comparison to the pension that the employee would otherwise receive without the late career overtime compensation. If an employee's pay increases in an abnormal manner in the final years of employment, the employee's retirement benefits, which are based on the employee's three or five highest paid years, can be increased dramatically without providing the Employees' Retirement System with sufficient investment time or moneys to fund the increased pension. In turn, this spike in compensation increases the unfunded actuarial accrued liability of the Employees' Retirement System.

Your Committee notes that the Employees' Retirement System's unfunded liability was reported at \$8,164,000,000 as of June 30, 2011. Although pension spiking is only one of a number of factors contributing to the System's unfunded liability, it is important to take appropriate measures now to deal with the problem of pension spiking to protect the System and its members.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2750, 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 (Kahele, Kouchi).

SCRep. 2791 Ways and Means on S.B. No. 2751

The purpose and intent of this measure is to modify the experience requirements of the members of the Employees' Retirement System Board of Trustees by replacing the requirement that one member be a responsible bank officer with a requirement that one board member have substantial experience providing financial services, including investments, to public, corporate, or private clients.

Written comments in support of this measure were submitted by the Department of Budget and Finance and the Employees' Retirement System.

Your Committee finds that it is imperative that one of the members of the Board have investment experience as investments are critical to the funding of the Employees' Retirement System, and have a great impact on the future sustainability of the System, especially during a period of economic decline or stabilization.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2751 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Kahele, Kouchi).

SCRep. 2792 Ways and Means on S.B. No. 3008

The purpose and intent of this measure is to provide impoverished family court litigants with alternatives to serving notices of judicial proceedings by publication.

More specifically, this measure allows these parties to serve notice by posting pleadings at the courthouse and sending the pleadings to the defendant's or respondent's last known address and closest known relative, subject to:

- (1) Court order; and
- (2) Demonstration of a diligent search for the defendant or respondent.

Your Committee received written comments in support of this measure from the Legal Aid Society of Hawaii.

Your Committee finds that recent price increases for newspaper classifieds have been particularly challenging for impoverished litigants who are unable to locate the opposing party and must serve notice of the judicial proceeding by publication in a newspaper. This measure would help alleviate this financial burden on impoverished litigants and increase access to family court processes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3008 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Tokuda).

SCRep. 2793 (Majority) Ways and Means on S.B. No. 2324

The purpose and intent of this measure is to provide a vehicle to fund pending public sector collective bargaining agreements for bargaining units 2, 3, 4, 6, 8, and 13.

Written comments in support of this measure were submitted by the Hawaii Government Employees Association. Written comments on the measure were submitted by the Department of Budget and Finance.

Your Committee finds that the "favored nation" clause in the Hawaii Government Employees Association collective bargaining agreement authorizes the union to renegotiate the terms of an agreement if another public union settles on terms that are more favorable. As a result, there may be a need to appropriate funds if the terms of the Hawaii State Teachers Association and the United Public Workers collective bargaining agreements are found to be more favorable. This measure will serve as a vehicle for funds to be appropriated.

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. 2324, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2324, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, 1 (Slom). Excused, none.

SCRep. 2794 (Majority) Ways and Means on S.B. No. 2424

The purpose and intent of this measure is to facilitate the implementation of the professional employer organization law established by Act 129, Session Laws of Hawaii 2010.

More specifically, this measure:

- (1) Establishes the professional employer organization special fund;
- (2) Gives additional powers and duties to the Director of Labor and Industrial Relations regarding the registration and regulation of professional employer organizations;
- (3) Amends definitions in chapter 373L, Hawaii Revised Statutes, for the purpose of consistency;
- (4) Amends bond level requirements for professional employer organizations;
- (5) Repeals chapter 373K, Hawaii Revised Statutes, relating to professional employment organizations;
- (6) Incorporates an existing general excise tax exemption into chapter 373L, Hawaii Revised Statutes, relating to professional employer organizations; and
- (7) Appropriates funds to the Department of Labor and Industrial Relations.

Written comments in support of this measure were submitted by the Department of Labor and Industrial Relations. Written comments on this measure were submitted by the Department of Budget and Finance, the National Association of Professional Employer Organizations, and the Employer Services Assurance Corporation.

Your Committee finds that Act 225, Session Laws of Hawaii 2007, established chapter 373K, Hawaii Revised Statutes, relating to professional employment organizations. The main purpose of Act 225 was to provide a general excise tax exemption for these organizations. Your Committee also finds that Act 129, Session Laws of Hawaii 2010, established chapter 373L, Hawaii Revised Statutes, relating to professional employer organizations, which provided registration requirements for professional employer organizations in Hawaii. Although the registration requirements went into effect on July 1, 2011, amendments to the existing statutes are needed before the Department of Labor and Industrial Relations can fully implement the law. Your Committee further finds that chapters 373K and 373L, Hawaii Revised Statutes, address the same type of entities, although professional employer organization is the correct term.

Your Committee believes that two chapters in the Hawaii Revised Statutes on the same subject are unnecessary, and that this measure will eliminate duplicative provisions relating to professional employer organizations and facilitate the implementation of the professional employer organization law, as established by Act 129, Session Laws of Hawaii 2010.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of Labor and Industrial Relations is authorized to impose penalties rather than fines;
- (2) Clarifying that, upon adoption of rules pursuant to chapter 91, Hawaii Revised Statutes, the Director of Labor and Industrial Relations shall collect registration fees from professional employer organizations and registrants;
- (3) Replacing the registration fees with unspecified amounts;
- (4) Clarifying the method for calculating the number of covered employees of a professional employer organization;
- (5) Making a conforming amendment to the definition of "leased employee" under section 209E-2, Hawaii Revised Statutes;
- (6) Clarifying the protocol for the acceptance of electronic filings;
- (7) Clarifying bonding requirements to specify that bonds must be issued by an A-rated surety, rather than a federally-insured lending institution;

- (8) Replacing the amount of funds appropriated to the Department of Labor and Industrial Relations with an unspecified amount;
- (9) Adding a savings clause; and
- (10) 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. 2424, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2424, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Slom). Excused, none.

SCRep. 2795 Ways and Means on S.B. No. 2865

The purpose and intent of this measure is to expand the allowed uses of funds deposited into the Federal Reimbursement Maximization Special Fund to include those uses identified and approved by the United States Department of Justice.

Your Committee finds that currently, the use of moneys in the federal reimbursement maximization special fund are limited to meeting the state match requirement for federal grants. Your Committee further finds that the Department of Justice has developed rules that allow expanded use of the funds for correctional purposes, and that state law should be amended to reflect the newly allowed uses in light of diminishing opportunities to receive federal grants for correctional purposes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2865 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2796 Ways and Means on S.B. No. 2950

The purpose and intent of this measure is to appropriate funds for a grant-in-aid to the Department of the Prosecuting Attorney of the City and County of Honolulu.

Written comments in support of this measure were submitted by the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that this measure provides funding necessary for the Honolulu Family Justice Center, including the hiring of staff.

Your Committee has amended this measure by:

- (1) Deleting the specific appropriation amount for the purpose of facilitating further discussion of the measure; and
- (2) Making a technical nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2950, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2950, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Tokuda, Slom).

SCRep. 2797 (Majority) Ways and Means on S.B. No. 3054

The purpose and intent of this measure is to require the Auditor to conduct a financial and management audit of the Department of Public Safety's commissary operations and commissaries in out-of-state correctional facilities where Hawaii inmates are confined.

Your Committee received written comments in support of this measure from Community Alliance on Prisons and a concerned individual.

Your Committee finds that an evaluation of commissaries serving Hawaii inmates will help ensure that these programs are being managed and operated in a sound manner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3054 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. 2798 Ways and Means on S.B. No. 3037

The purpose and intent of this measure is to provide a strategic approach to facilitating the growth of the aerospace industry in the State.

Specifically, the measure:

- (1) Establishes the Pacific International Space Center for Exploration Systems within the Department of Business, Economic Development, and Tourism, and its board of directors;

- (2) Transfers the Pacific International Space Center for Exploration Systems from the University of Hawaii to the Department of Business, Economic Development, and Tourism; and
- (3) Authorizes the issuance of an unspecified amount of general obligation bonds and makes an unspecified appropriation out of general funds to finance construction of the Pacific International Space Center for Exploration Systems' aerospace research technology park project.

Your Committee received written comments on this measure from the Department of Human Resources Development and the Department of Business, Economic Development, and Tourism.

Your Committee finds that the Pacific International Space Center for Exploration Systems, including the proposed aerospace research technology park project, will be an economic driver for the State, and the County of Hawaii in particular, that will promote new sustainable and green industries, aerospace and research jobs, workforce development, student internships, and STEM programs. Your Committee further finds that there is a simultaneous need for the space center to work closely with the University of Hawaii while also maintaining an ability to act swiftly and independently in the rapidly evolving and competitive global aerospace industry. Your Committee finds that supporting this venture will yield long term benefits for Hawaii's economy and workforce.

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. 3037, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3037, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2799 (Majority) Ways and Means on S.B. No. 3017

The purpose and intent of this measure is to clarify that the daily \$10 tax on transient accommodations furnished on a complimentary or gratuitous basis includes transient accommodations furnished without tangible industry development or promotional purposes, but does not include transient accommodations furnished as part of a tourism industry promotional or marketing activity.

Written comments in support of this measure were submitted by the Department of Taxation and the Hawaii Tourism Authority.

Your Committee finds that there has been some uncertainty in the tourism industry regarding the taxation of complimentary or gratuitous transient accommodations since the enactment of Act 103, Session Laws of Hawaii 2011. Your Committee believes that this measure will clarify the specific types of transient accommodations that are considered complimentary or gratuitous, and subject to the daily \$10 tax.

Your Committee has amended this measure by:

- (1) Deleting the phrase "furnished without tangible industry development or promotional purposes" from the description of transient accommodations included in the definition of "complimentary or gratuitous basis";
- (2) Clarifying that activities for travel agents are not included in the definition of "complimentary or gratuitous basis"; and
- (3) Making technical nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3017, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3017, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Slom). Excused, none.

SCRep. 2800 Ways and Means on S.B. No. 2871

The purpose and intent of this measure is to prohibit the act of texting on an electronic device while operating a commercial motor vehicle.

In addition, the measure:

- (1) Defines the terms "electronic device" and "texting";
- (2) Amends the definition of "serious traffic violation" to include texting on an electronic device while operating a commercial vehicle; and
- (3) Requires a person operating a commercial vehicle to have in the person's possession a commercial driver's license.

Written comments in support were submitted by the Hawaii Transportation Authority and General Motors.

Your Committee finds that this measure substantially conforms state law with federal regulations regarding the physical possession of commercial driving licenses and prohibiting texting while operating a commercial motor vehicle.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2871, 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. 2801 Ways and Means on S.B. No. 2960

The purpose and intent of this measure is to provide greater access to interisland travel by prohibiting the Department of Transportation from assessing landing fees upon air carriers that provide interisland service, except between the most populous island in the State and any other island in the State.

Your Committee received written comments on this measure from the Department of the Attorney General.

Your Committee notes that the Airports District Office of the Federal Aviation Administration reviewed previous drafts of this measure and advised that they violated the State's grant assurances. In light of these concerns, your Committee has amended this measure by:

- (1) Providing that the waiver of landing fees shall apply specifically for air carrier flights landing at Molokai Airport, Lanai Airport, Kapalua-West Maui Airport, Hana Airport, Kalaupapa Airport, and Waimea-Kohala Airport;
- (2) Amending the effective date to provide that the measure will not take effect until the State receives written notification from the Federal Aviation Administration that the measure would not conflict with the State's ability to receive federal funds; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee also notes that the Attorney General has had preliminary discussions with the Federal Aviation Administration regarding this measure. It is your Committee's intent that this measure move forward in the legislative process to allow further discussions 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. 2960, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2960, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Tokuda, Slom).

SCRep. 2802 Ways and Means on S.B. No. 2852

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to direct the Examiner of Drivers to deny or suspend a driver's license if the Board certifies that the person is noncompliant with administrative penalties related to aquatic resource violations.

In addition, this measure authorizes the Board of Land and Natural Resources to require the performance of natural resource related community service for aquatic resource violations.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Malama Pupukeya-Waimea, Malama Maunaloa, and five individuals. Written comments on this measure were received from the City and County of Honolulu, Department of Motor Vehicle, Licensing and Permits Administration.

Your Committee finds that for many years, there have been concerns within the community that the Department of Land and Natural Resources lacks the ability to fully enforce the State's aquatic resource laws. This measure will help the Department to more consistently, efficiently, and appropriately address aquatic resource violations.

Your Committee has amended this measure by:

- (1) Clarifying that the Board of Land and Natural Resources shall direct the immediate suspension, nonrenewal, nonreactivation, or denial of a driver's license by the Examiner of Drivers if certain conditions are not satisfied;
- (2) Deleting the requirement that the Board of Land and Natural Resources provide the Examiner of Drivers with the social security number of a person who does not comply with administrative penalties related to aquatic resource violations, and requiring instead the provision of "other identifying information"; 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. 2852, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2852, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2803 Ways and Means on S.B. No. 2856

The purpose and intent of this measure is to propose a constitutional amendment to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Department of Land and Natural Resources.

Your Committee finds that dams and reservoirs are a critical part of the State's infrastructure, providing many public benefits as a potential resource for agriculture, water supply, recharge, flood control, hydropower, and other beneficial uses. The implementation of Act 262, Session Laws of Hawaii 2007, requires dam and reservoir owners to meet certain safety standards. This measure will assist dam and reservoir owners by providing an economic means to bring their facilities up to current 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. 2856 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 2804 Ways and Means on S.B. No. 2876

The purpose and intent of this measure is to clarify the law enforcement powers of certain employees under the jurisdiction of the Department of Transportation Harbors Division.

Specifically, the measure:

- (1) Clarifies that persons issued a notice of violation by the Department of Transportation for violating certain Department of Transportation rules may request an administrative hearing to contest the charge;
- (2) Clarifies the arrest and citation procedures for Department of Transportation law enforcement officers regarding the officer's discretion to either issue a citation or immediately take the alleged violator before a district judge;
- (3) Broadens the authority to issue citations and make arrests to any employee, officer, or representative of the Department of Transportation conferred by the Director of Transportation with police powers;
- (4) Adds administrative hearing officers to the list of authorized persons and the court who may deprive an offender from obtaining an operating or mooring permit;
- (5) Lessens the time period that an offender may be deprived of an operating or mooring permit from two years to one year;
- (6) Broadens the scope of the penalty imposed under paragraph (4) to include a prohibition against entering a secured area of a port;
- (7) Stipulates that upon expiration of the time penalty under paragraph (5), the offender would have to assume the last position on any waiting list to reacquire an operating or mooring permit; and
- (8) Provides that the fines for environmental and maritime transportation security violations may be deposited into the harbor special fund.

Your Committee finds that increasing the number of Department of Transportation employees authorized to issue citations will increase the enforcement and safety of state harbors and that authorizing alleged violators to request an administrative hearing will allow for a fair and expedient resolution of violations. Your Committee also finds that authorizing the Department of Transportation to deposit fines and reimbursements into the harbor special fund will assist in offsetting expenses for managing the harbors.

Your Committee has amended this measure by:

- (1) Deleting language in section 3 requiring a law enforcement officer to take an arrested or cited person immediately before a district court judge due to inconsistency with the other language in the section;
- (2) Designating subsections for section 266-24.1, Hawaii Revised Statutes, to facilitate reference and future amendments; 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. 2876, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2876, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Kouchi, Slom).

SCRep. 2805 Ways and Means on S.B. No. 2918

The purpose and intent of this measure is to assist in the development of the property surrounding Aloha Stadium.

Your Committee received written comments in support of this measure from the Public Land Development Corporation and the Ironworkers Stabilization Fund.

Your Committee finds that the property surrounding Aloha Stadium has the potential to become an economic stimulator for the State. Transferring the development and management rights from the Aloha Stadium Authority to the Public Land Development Corporation will assist in exploring and creating mixed-used redevelopment opportunities for the land, thereby creating jobs and revenue for the State.

Your Committee has amended this measure by:

- (1) Adding a new section 2 stating that contracts and other agreements by the Stadium Authority for the development rights of the property are applicable to the Public Land Development Corporation;
- (2) Clarifying that the Public Land Development Corporation shall develop the land pursuant to chapter 171C, Hawaii Revised Statutes, notwithstanding that any portion of it may be private land;
- (3) Changing the effective date to July 1, 2050, to promote 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. 2918, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2918, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12, Ayes with Reservations (Chun Oakland, Slom). Noes, none. Excused, 2 (Kaele, Kim).

SCRep. 2806 (Majority) Ways and Means on S.B. No. 2927

The purpose and intent of this measure is to facilitate high quality commercial and residential development by establishing planning districts on land adjacent to public transportation stations and centers that will promote neighborhood reinvestment, using an expedited process to reduce up-front costs.

Additionally, this measure:

- (1) Authorizes the counties to approve exceptional planning projects within planning districts;
- (2) Provides incentives for exceptional planning projects in the form of exemptions from state land development fees, school impact fees, and environmental assessment requirements and from county zone change requirements, zoning standards, and impact fees;
- (3) Provides indemnity for any county, its officials, or employees for actions taken regarding exceptional planning projects; and
- (4) Authorizes a county with a planning district to establish transit or main-street redevelopment programs using community-based planning.

Your Committee received written comments in support of this measure from the Department of Planning and Permitting, General Contractors Association of Hawaii, and Building Industry Association-Hawaii. Your Committee received testimony in opposition to this measure from Hawaii Hispanic News, Latin Chamber of Commerce, and eleven individuals. Your Committee received written comments on this measure from the Department of Business, Economic Development and Tourism - Hawaii Housing Finance and Development Corporation, and Honolulu Authority for Rapid Transportation.

Your Committee finds that successful planning for growth requires higher density urban development in existing and new communities that offers a high quality of life for a broad range of household types. Further, well-designed and well-integrated higher-density development can significantly reduce reliance on cars, decrease traffic congestion, and minimize vehicle emissions.

Your Committee also finds that this measure will facilitate commercial and residential development of exceptional quality on land adjacent to public transportation stations and centers by creating an expedited process and reducing up-front costs. To this end, your Committee believes that the State needs to designate an agency or person to be the official and dedicated contact point and coordinator for state interests as they relate to Oahu's rail project.

Your Committee has amended this measure by:

- (1) Clarifying that planning districts are contained within the urban district and redefining the area comprising a planning district;
- (2) Deleting the Hoopili rail transit station from the list of rail transit stations serving as a reference point for transit-oriented development because it is not within the urban district;
- (3) Providing that designation of a planning district does not change the classification of the parcel;
- (4) Deleting the provision for automatic approval of an application for approval of an exceptional planning project upon the failure of a legislative body to act within a specified period;
- (5) Providing that indemnity for any county, its officials, or employees applies only to actions taken in their official capacity regarding exceptional planning projects;
- (6) Deleting the exemptions from school impact fees, environmental assessments under section 343-5(a)(1), Hawaii Revised Statutes, and impact fees under section 264-123, Hawaii Revised Statutes;
- (7) Requiring a transit-oriented or main-street redevelopment program to include guidelines for complete street programs and strategies to promote public transit ridership;
- (8) Clarifying that a county or county agency may enact ordinances or adopt rules or regulations that may include criteria for granting exemptions, considerations regarding the existing use of lands, and assurances for a fair and equitable application process;
- (9) Establishing a framework for the transfer of floor area within a planning district;
- (10) Clarifying that the county legislative body is to conduct the review process for floor area transfers;
- (11) Changing the effective date to July 1, 2050; and
- (12) 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. 2927, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2927, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12, Ayes with Reservations (Fukunaga, Ryan, Tokuda). Noes, 1 (Slom). Excused, 1 (Kim).

SCRep. 2807 Ways and Means on S.B. No. 3011

The purpose and intent of this measure is to require the Department of Land and Natural Resources to transfer three parcels of land, located in Kunia, Oahu, to the Agribusiness Development Corporation.

Your Committee received written comments in opposition to this measure from the Office of Hawaiian Affairs. The Department of Land and Natural Resources submitted written comments on this measure.

Your Committee finds that the Agribusiness Development Corporation was created to convert former plantation water systems and lands to properties for diversified agriculture. Transfer of these three parcels of land to the Agribusiness Development Corporation will help ensure that arable public lands within Kunia's agricultural land use district will be used for agricultural purposes.

Your Committee has amended this measure by:

- (1) Correcting the tax map key numbers to accurately reference the three parcels; and
- (2) Changing the effective date to July 1, 2050, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3011, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3011, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Ayes with Reservations (Fukunaga, Tokuda). Noes, none. Excused, 1 (Kim).

SCRep. 2808 (Majority) Ways and Means on S.B. No. 3013

The purpose and intent of this measure is to establish a forest carbon offsets program in Hawaii that would incentivize and reward businesses or individuals that adopt, practice, and adhere to carbon emission reduction activities that are consistent with the Hawaii 2050 sustainability plan.

Your Committee finds that global warming not only increases the State's dependence on fossil fuels, but is also expected to have severe environmental consequences, including an increase in storms, less rainfall, and a rise in sea level. Consequently, the State should support programs that incentivize businesses and landowners to adopt practices that are more environmentally friendly and that result in reduced carbon emissions. This measure lays out a state policy to encourage and empower public and private entities to increase the protection and management of Hawaii's forests and watersheds.

Your Committee has amended this measure by:

- (1) Amending section 195F-4, Hawaii Revised Statutes, to authorize the forest stewardship fund to receive deposits of processing fees under section -6 of 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. 3013, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3013, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

SCRep. 2809 (Majority) Ways and Means on S.B. No. 3028

The purpose and intent of this measure is to protect the sandalwood tree by banning the unlicensed destruction or harvesting of native sandalwood trees and the export of raw or unprocessed sandalwood timber.

In addition, this measure establishes the duties of the Department of Land and Natural Resources regarding the protection of sandalwood.

Your Committee received written comments in support of this measure from the International Sandalwood Foundation; JAWMIN LLC-Ha'loa Aina; and one individual. Your Committee received written comments in opposition to this measure from Parker Ranch; Maui Cattlemens Association; Martin and MacArthur; Ulupalakua Ranch; Hawaii Forest Industry Association; Fogelvik Furniture; Martin and MacArthur Enterprises; and thirty individuals.

Your Committee finds that protecting the rich biodiversity of the State is very important, and this measure will do so by providing protections for the sandalwood tree and its endemic species.

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. 3028, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3028, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Ayes with Reservations (Chun Oakland, English, Espero, Fukunaga, Kidani, Ryan, Tokuda, Wakai). Noes, 1 (Slom). Excused, 1 (Kouchi).

SCRep. 2810 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 2096

The purpose and intent of this measure is to adjust the benefit amounts paid to employees from the Unemployment Insurance Trust Fund and the contribution rates for employers. Specifically, this measure:

- (1) Maintains the maximum weekly benefit amount for unemployment insurance benefits at seventy percent of the average weekly wage from January 1, 2012, until March 31, 2012, and beginning again on January 1, 2013;
- (2) Temporarily increases the maximum benefit amount for unemployment insurance benefits to seventy-five percent of the average weekly wage from April 1, 2012, to December 31, 2012;
- (3) Maintains the employer contribution rate amount at schedule F for calendar year 2012;
- (4) Authorizes, until January 1, 2013, funds in the employment and training fund to be used for the payment of interest due on Title XII advances made under section 1202(b) of the Social Security Act, as amended, to the unemployment compensation fund;
- (5) Authorizes the Director of Labor and Industrial Relations to determine the employment and training assessment rate for the 2012 calendar year if any interest is due on a Title XII advance;
- (6) Specifies that the amounts collected but not applied to interest payments due in 2012 shall remain in the employment and training fund; and
- (7) Authorizes the Director of Labor and Industrial Relations to borrow monies from the federal government to cover the insolvency of the unemployment compensation fund and to use the loan proceeds only to pay unemployment benefits.

Your Committees received testimony in support of this measure from International Longshore and Warehouse Union Local 142; the Molokai Chamber of Commerce; the Hawaii Restaurant Association; the Maui Chamber of Commerce; the Hawaii Alliance for Nonprofit Organizations; the Hawaii Credit Union League; Big Island Electric, Inc.; Gytaku Restaurants; Zippy's Restaurants; the Chamber of Commerce of Hawaii; Monsato Company; the Retail Merchants of Hawaii; the Hawaii Food Industry Association; LH Gamble Co., Ltd.; the Hawaii Automobile Dealers Association; City Mill Company, Ltd.; the Kona-Kohala Chamber of Commerce; Ocean Sports; the Hilton Hawaiian Village Waikiki Beach Resort; the Hawaii Island Chamber of Commerce; Trans-Pacific Design; Budar Insurance Agency; the Molokai Farm Bureau; American Savings Bank; ProService Hawaii; the Hawaii Business League; and fifty-four private individuals. The Department of Labor and Industrial Relations and two private individuals submitted comments.

Your Committees find that the economic downturn that occurred over the past several years resulted in increasing unemployment and, concomitantly, a dwindling reserve in the unemployment trust fund. As such, the insolvency of the unemployment trust fund in December 2010 required the State to borrow money from the federal government under Title XII, Section 1202(b) of the Social Security Act, as amended. However, stabilizing unemployment rates as well as efforts by the Department of Labor and Industrial Relations allowed for the loan to be repaid and the unemployment trust fund to realize a positive balance, although the situation is still precarious.

Although economic growth appears to be improving and Hawaii appears to be heading toward an economic recovery, the process is a slow one. Under existing law, the rate schedule for unemployment insurance contributions is scheduled to increase. Your Committees further find that maintaining the schedule at its current rate for an additional year will help mitigate the effect of this increase on businesses and provide stability and certainty during this economic recovery period.

Your Committees recognize that pursuant to section 103-6, Hawaii Revised Statutes, there is a 2011 memorandum of understanding between the Department of Labor and Industrial Relations and the Department of Budget and Finance that essentially extends a line of credit to the Department of Labor and Industrial Relations to address any insolvency issues of the unemployment compensation fund, if needed.

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. 2096, H.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 13. Noes, none. Excused, 5 (Chun Oakland, Dela Cruz, Gabbard, Tokuda, Wakai).

SCRep. 2811 Commerce and Consumer Protection on Gov. Msg. No. 648.

Recommending that the Senate advise and consent to the nomination of the following:

PUBLIC UTILITIES COMMISSION

G.M. No. 648 MICHAEL CHAMPLEY, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Michael Champley to possess the requisite qualifications to be nominated to the Public Utilities Commission.

Your Committee received testimony in support of the nomination of Michael Champley from the Lieutenant Governor; Director of Budget and Finance; the Chair and a member of the Public Utilities Commission; Hawaiian Electric Company, Inc.; Yamamoto & Settle, LLLC; Blue Planet Foundation; First Wind; Sopogy; Makani Nui Associates, LLC; Young Brothers, Limited; Hawaii PV Coalition; Hawaii Renewable Energy Alliance, and two individuals.

Upon review of the testimony, your Committee finds that the nominee's extensive professional experience in the energy industry, commitment to public service, and proven leadership throughout his career qualify him for appointment to the Public Utilities Commission. Your Committee notes that the nominee has over four decades of experience in energy industry restructuring, regulatory strategy, customer and wholesale energy markets, planning and operations, and utility performance management. Your Committee

further finds that having participated at numerous proceedings and activities at the state and federal level, the nominee has a thorough understanding of the regulatory process from a utility and commission perspective and is highly qualified to serve as a member of the Public Utilities Commission.

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, 7. Noes, none. Excused, none.

SCRep. 2812 Water, Land, and Housing on S.C.R. No. 12

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement for the portion of state submerged lands fronting the property identified as tax map key: (2)4-5-001: seaward of 004, at Lahaina on the island of Maui for use, repair, and maintenance of existing improvements constructed thereon, pursuant to section 171-53, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and one individual.

Your Committee finds that the Board of Land and Natural Resources may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. The Board originally approved a twenty-year lease of non-exclusive easement on October 27, 1989, which was executed on August 1, 1991. Subsequently, the Board approved a one-year holdover of the easement at its meeting on July 8, 2011. The easement is necessary for the maintenance and repair of existing deck and improvements.

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. 12 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6, Ayes with Reservations (Fukunaga, Shimabukuro). Noes, none. Excused, 1 (Solomon).

SCRep. 2813 Tourism on S.R. No. 14

The purpose and intent of this measure is to request the Hawaii Tourism Authority to:

- (1) Study the feasibility of developing a hotel above the Hawaii Convention Center facility; and
- (2) Report the findings and results of the feasibility study, including any recommendations requiring legislative approval, to the Legislature 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 Hawaii Tourism Authority.

Your Committee finds that the current economic situation provides an opportunity to identify areas for improvements in the operations of the Hawaii Convention Center that may help to diversify Hawaii's tourism economy and move from a leisure-based market toward a stronger mix of leisure and business. Your Committee further finds that in order to determine the optimal future for the Hawaii Convention Center, as well as the impact of developing a hotel or other facility above the Hawaii Convention Center facility, the State needs updated baseline information on the facility.

Your Committee has amended this measure accordingly by:

- (1) Amending the title to read: "REQUESTING THE HAWAII TOURISM AUTHORITY TO STUDY THE FEASIBILITY OF DEVELOPING A HOTEL, TRAINING HOTEL, OR OTHER COMMERCIAL RETAIL FACILITY ABOVE THE HAWAII CONVENTION CENTER FACILITY";
- (2) Expanding the scope of the feasibility study to include a training hotel or other commercial retail facility, as determined by the Board of Directors of the Hawaii Tourism Authority;
- (3) Adding language to request that the feasibility study be undertaken in conjunction with a baseline study of the current operations of the Hawaii Convention Center to more accurately determine the impact that the development of such a hotel or other facility may have on the Hawaii Convention Center, including its operations and management, physical assets and constraints, short- and long-range plans for the facility, and any legal issues that may arise as a result of changes to the Hawaii Convention Center; and
- (4) 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 Tourism that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 14, 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. 14, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2814 Tourism on S.C.R. No. 35

The purpose and intent of this measure is to request the Hawaii Tourism Authority to:

- (1) Study the feasibility of developing a hotel above the Hawaii Convention Center facility; and

- (2) Report the findings and results of the feasibility study, including any recommendations requiring legislative approval, to the Legislature 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 Hawaii Tourism Authority.

Your Committee finds that the current economic situation provides an opportunity to identify areas for improvements in the operations of the Hawaii Convention Center that may help to diversify Hawaii's tourism economy and move from a leisure-based market toward a stronger mix of leisure and business. Your Committee further finds that in order to determine the optimal future for the Hawaii Convention Center, as well as the impact of developing a hotel or other facility above the Hawaii Convention Center facility, the State needs updated baseline information on the facility.

Your Committee has amended this measure accordingly by:

- (1) Amending the title to read: "REQUESTING THE HAWAII TOURISM AUTHORITY TO STUDY THE FEASIBILITY OF DEVELOPING A HOTEL, TRAINING HOTEL, OR OTHER COMMERCIAL RETAIL FACILITY ABOVE THE HAWAII CONVENTION CENTER FACILITY";
- (2) Expanding the scope of the feasibility study to include a training hotel or other commercial retail facility, as determined by the Board of Directors of the Hawaii Tourism Authority;
- (3) Adding language to request that the feasibility study be undertaken in conjunction with a baseline study of the current operations of the Hawaii Convention Center to more accurately determine the impact that the development of such a hotel or other facility may have on the Hawaii Convention Center, including its operations and management, physical assets and constraints, short- and long-range plans for the facility, and any legal issues that may arise as a result of changes to the Hawaii Convention Center; and
- (4) 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 Tourism that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 35, 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. 35, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 2815 Public Safety, Government Operations, and Military Affairs on Gov. Msg. Nos. 576, 577, and 578.

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY BOARD ON VETERANS' SERVICES

G.M. No. 576 CAROLLE BRULEE-WILSON, for a term to expire 6-30-2013;

G.M. No. 577 WILBERT PEREIRA, for a term to expire 6-30-2015; and

G.M. No. 578 ANN GREENLEE, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Carolle Brulee-Wilson, Wilbert Pereira, and Ann Greenlee to possess the requisite qualifications to be nominated to the Advisory Board on Veterans' Services.

Your Committee received testimony in support of Carolle Brulee-Wilson from the Adjutant General, Office of Veterans Services, Big Island Veterans Day Parade Committee, and several individuals.

Ms. Brulee-Wilson served in the Navy for almost ten years and was honorably discharged at her last duty station, Camp Smith, Hawaii. Her Naval career in administration started at Naval stations and facilities in Pensacola, Florida; Antigua, West Indies; Puerto Rico; and finally at United States Pacific Command at Camp Smith. After her discharge, she remained at Camp Smith for another five years as the Directives Control Manager and worked on the Admiral's staff as an administrative courier.

For the past several years, through membership and personal involvement with several veterans' organizations, Ms. Brulee-Wilson has developed a strong desire to achieve solutions for important Big Island veteran issues. She wants veterans to have more extensive opportunities and to help provide services for all homeless veterans in Hawaii, including a disabled American veterans transportation network van for East Hawaii.

Your Committee received testimony in support of Wilbert Pereira from the Adjutant General; Office of Veterans Services; American Legion Post 54; Maui Realty Company, Inc.; Korean War Veterans Association, Inc., Kauai Chapter; Kauai Veterans of Foreign Wars of the United States, Post 3855, Kauai Veterans Club; Military Intelligence Veterans of Kauai; Marine Corps League's Kauai Detachment #938; and numerous individuals.

Mr. Pereira joined the Hawaii Army National Guard in August of 1963. He was called to active duty in May of 1968 during the Vietnam War and returned home in August Of 1969. He worked for Kauai Electric Company and retired after twenty-seven years with the company. After retirement, Mr. Pereira became very involved in various veteran organizations. He is a member of the Kauai Veterans Council serving on the Kauai Veterans Center Management Committee, a member of the Kauai Veterans Cemetery Committee overseeing the logistics of veterans' burials, and Secretary and Treasurer of the Kauai Vietnam Era Veterans Association. He wishes to be a member of the Advisory Board of Veterans' Services to continue to give back to the community and the veterans.

Your Committee received testimony in support of Ann Greenlee from the Adjutant General; Office of Veterans Services; Maui Realty Company, Inc.; and several individuals.

Ms. Greenlee is a veteran with over thirty years of service in the active Air Force, with the past 21 years in the Hawaii Air National Guard, and she rose to the rank of Brigadier General and Assistant Adjutant General for the Hawaii Air National Guard. She has been a member of the Air National Guard Strategic Planning System Committee, charged with charting strategic direction for the nation's Air National Guard. Ms. Greenlee has also sat on the National Guard Diversity Executive Council, working to improve diversity in the Army and Air National Guard. In Hawaii, she has worked with teams directing operations in a wide variety of areas ranging from construction of facilities costing hundreds of millions of dollars to Hawaii Guard responses to natural disasters including floods, fires, earthquakes, and tsunamis.

In a volunteer role, Ms. Greenlee has served as the Executive Director and Vice Chairman of the Hawaii Committee for Employer Support to the Guard and Reserve. She is currently the Director of the Veterans Employment and Services Training for the United States Department of Labor in Hawaii. Ms. Greenlee is soon to retire after some 30 years of military service and feels that she is in a position to support veterans.

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, 5. Noes, none. Excused, none.

SCRep. 2816 Public Safety, Government Operations, and Military Affairs on Gov. Msg. Nos. 571, 572, 573, 574, 575, and 570.

Recommending that the Senate advise and consent to the nominations of the following:

PROCUREMENT POLICY BOARD

G.M. No. 570 GREGORY KING, for a term to expire 6-30-2016;

G.M. No. 571 KATHY SUZUKI-KITAGAWA, for a term to expire 6-30-2013;

G.M. No. 572 DAVID LANGILLE, for a term to expire 6-30-2015;

G.M. No. 573 RONALD HIRANO, for a term to expire 6-30-2016;

G.M. No. 574 HOWARD GARVAL, for a term to expire 6-30-2013; and

G.M. No. 575 DOUGLAS MURDOCK, for a term to expire 6-30-2014,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Gregory King, Kathy Suzuki-Kitagawa, David Langille, Ronald Hirano, Howard Garval, and Douglas Murdock to possess the requisite qualifications to be nominated to the Procurement Policy Board.

Your Committee received testimony in support of Gregory King from the Department of Accounting and General Services, Department of Budget and Finance, Mayor of Maui County, and Maui Department of Finance.

Mr. King has been the Central Purchasing Agent for the Maui Department of Finance since 1995. He previously served on the Procurement Policy Board from 2000 to 2008, including serving as Chair from 2005 to 2008. The nominee also has additional procurement experience with the County of Maui Department of Water Supply, and in the private sector.

Mr. King has the ability to clearly discern, abide by, and advise on the requirements of the procurement statutes and has demonstrated his expert familiarity with not only the statutes, but also practical understanding of government administration.

Your Committee received testimony in support of Kathy Suzuki-Kitagawa from the Department of Accounting and General Services, Waikiki Health Center, Hawaii Primary Care Association, and several individuals.

Ms. Suzuki-Kitagawa has been actively involved for the past twelve years in health and human services issues through her work as Chief Operating Officer of the Hawaii Primary Care Association, which promotes and supports primary medical, dental, and behavioral health services to Hawaii's medically underserved and underinsured through the federally qualified health centers. Her responsibilities include applying for, implementing, and managing numerous state contracts, such as the Hawaii Immigrant Health Initiative, Outreach and Education, and Dental Appropriations grants. All of these programs require compliance with the Hawaii Public Procurement Code. Ms. Suzuki-Kitagawa brings to the Board experience working with grants and contracts across a variety of federal programs and private foundations.

Your Committee received testimony in support of David Langille from the Department of Accounting and General Services; Radcliffe & Associates, LLC; and several individuals.

Mr. Langille is the Assistant Regional Director of Engineering Services for Hawaiian Building Maintenance. His responsibilities include the creation of requests for proposals, securing of proposals and bids, and selection of vendors. He is also responsible for coordinating capital projects. Mr. Langille has experience as a maintenance director in developing the facilities sections for multi-million-dollar annual operating budgets, coordinating contracts with vendors, tracking vendors' progress on their obligations, and processing timely payments.

Your Committee received testimony in support of Ronald Hirano from the Department of Accounting and General Services.

Mr. Hirano has served as a Construction Engineer, Design Engineer, and Deputy Director at the Department of Transportation and then as Executive Officer of the Aloha Tower Development Corporation. Since 2004, has been a Project Manager for the United States Army Corps of Engineers, Honolulu District, at Fort Shafter. His responsibilities have included project planning, design,

contracting, and warranty phases of projects. This experience has allowed him to gain insight into the federal government's procurement practices.

Your Committee received testimony in support of Howard Garval from the Department of Accounting and General Services, Goodwill Industries of Hawaii, Inc., Hale Kipa, Hawaii Family Support Institute at the University of Hawaii, The Leader Project, Lanakila Pacific, Partners In Development Foundation, Mental Health America of Hawai'i, Family Programs Hawai'i, Tissue Genesis Incorporated, Child & Family Service, Hawai'i Alliance of Nonprofit Organizations, and numerous individuals.

Mr. Garval is the President and Chief Executive Officer of Child & Family Service. After six years of working in the nonprofit sector in Hawaii, he understands how the State procures health and human services. Mr. Garval has extensive executive experience with several large organizations that contract with the State to provide services and may provide valuable input on ways to enhance the procurement code to achieve greater efficiency and reduced costs to government.

Your Committee received testimony in support of Douglas Murdock from the Department of Accounting and General Services, Hawai'i Tourism Authority, Hawai'i Alliance of Nonprofit Organizations, Atlantis Submarines, and several individuals.

Mr. Murdock served in the United States Air Force and retired in 2010 with the rank of Colonel after twenty-five years of service. He had extensive procurement experience in his military career, including serving as a cost analyst on the procurement of a major cargo aircraft system. He was also Chief Legal Counsel to Electronic Systems Center in Boston, Massachusetts, one of the Air Force's largest acquisition organizations with a procurement portfolio of over \$5,000,000,000. Throughout his Air Force career, he gained significant work experience in the fields of cost analysis, planning and programming, contract law, contract management, and procurement integrity and ethics. Mr. Murdock was certified as an Air Force Cost Analyst and designated as a Judge Advocate for procurement. He recently completed National Contract Management Association certificate programs in Ethics Education for Introductory and Advanced Business Ethics for Federal Procurement. In the fall of 2011, he was approved as an Expert in Ethics and Government Contract Compliance by the General Counsel of a federal agency.

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, 5. Noes, none. Excused, none.

SCRep. 2817 Public Safety, Government Operations, and Military Affairs on Gov. Msg. Nos. 568 and 569.

Recommending that the Senate advise and consent to the nominations of the following:

CIVIL DEFENSE ADVISORY COUNCIL

G.M. No. 568 RICHARD MINATOYA, for a term to expire 6-30-2014; and

G.M. No. 569 WILLIAM ANONSEN, for a term to expire 6-30-2013,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Richard Minatoya and William Anonsen to possess the requisite qualifications to be nominated to the Civil Defense Advisory Council.

Your Committee received testimony in support of Richard Minatoya from the Director of Civil Defense, Hawaii County Prosecuting Attorney, Maui Police Chief, and several individuals.

Mr. Minatoya currently serves as an interim member of the Civil Defense Advisory Council and attends the Council's quarterly meetings. He is also a Supervising Deputy Prosecuting Attorney for the County of Maui. In his current position as a division head and in his former first deputy position on Kauai, Mr. Minatoya has completed several Emergency Management Institute/Federal Emergency Management Agency courses.

Mr. Minatoya previously served as a Councilmember on the Kauai County Council, where he chaired the Committee on Public Safety/Intergovernmental Relations, which had jurisdiction over civil defense issues. During that time, he attended the Florida Governor's Hurricane Conference in Tampa, Florida, met regularly with the Director of Civil Defense, and was present when the Emergency Operating Center was activated for flooding incidents. Mr. Minatoya's experience as an interim member of the Council, experience in county government, previous work in civil defense, and broad legal experience will provide a valuable perspective on the Council.

Your Committee received testimony in support of William Anonsen from the Director of Civil Defense, Department of Transportation, United States Coast Guard, Kyoya Management Company, Ltd., Leo A. Daly, Amergent Techs, E Noa Corporation, Hawaiian Cement, Matson Navigation Company, United States Navy League Honolulu Council, Center for Island, Maritime and Extreme Environment Security, Tesoro Hawaii Corporation, and numerous individuals.

Mr. Anonsen has worked in the maritime industry for the past thirty-seven years in various positions in the industry and as a public servant. He is the managing partner and principal of The Maritime Group, LLC, a maritime consulting firm, as well as a Maritime Operations Specialist with the State of Hawaii Department of Transportation. His knowledge and experience in the maritime industry in the State of Hawaii will provide valuable insight on the protection of key harbors and support facilities statewide.

Mr. Anonsen understands that Hawaii is an island state that is heavily dependent upon the water not only for transportation but also as a source of life and resources. He provides the Council with valuable insights into critical marine infrastructure and resources that play an important role in emergency preparedness.

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, 5. Noes, none. Excused, none.

SCRep. 2818 Public Safety, Government Operations, and Military Affairs on Gov. Msg. No. 567.

Recommending that the Senate advise and consent to the nomination of the following:

HAWAI'I AEROSPACE ADVISORY COMMITTEE

G.M. No. 567 ERIC CLARK, for a term to expire 6-30-2013,

Your Committee received testimony in support of Eric Clark from Oceanic, CKW Financial Group, Tissue Genesis Incorporated, Duff & Phelps, Inter-Atlantic Group, PCX, Inc., and numerous individuals.

The nominee is currently the Director of Corporate Development at Servco Pacific, Inc., where his responsibilities include managing acquisitions, divestitures, investments and strategic alliances. Mr. Clark comes from an investment banking background which includes working with large banks such as Citi Group, CSFB, and Bear Stearns. He currently serves as a volunteer Director for HiBeam (Hawaii Business and Entrepreneur Acceleration Mentors) to provide assistance and mentoring to startup companies. The nominee has demonstrated integrity and excellent interpersonal skills in his career.

Your Committee believes Mr. Clark brings a commercial sense related to capital raising to the various projects of the Hawai'i Aerospace Advisory Committee, which will result in a heightened focus on projects that have a more near-term potential to bring business ventures and jobs to 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, 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. 2819 Public Safety, Government Operations, and Military Affairs on Gov. Msg. Nos. 579, 580, 581, 582, 583, 584, 596, 597, and 599.

Recommending that the Senate advise and consent to the nominations of the following:

WIRELESS ENHANCED 911 BOARD

- G.M. No. 579 MARK BEGLEY, for a term to expire 6-30-2016;
- G.M. No. 580 KIMAN WONG, for a term to expire 6-30-2015;
- G.M. No. 581 SU SHIN, for a term to expire 6-30-2014;
- G.M. No. 582 ROY IREI, for a term to expire 6-30-2014;
- G.M. No. 583 JOHN THOMPSON, for a term to expire 6-30-2015;
- G.M. No. 584 STEVEN SCHUTTE, for a term to expire 6-30-2014;
- G.M. No. 596 CLAYTON TOM, for a term to expire 6-30-2016;
- G.M. No. 597 VICTOR RAMOS, for a term to expire 6-30-2015; and
- G.M. No. 599 MARSHALL KANEHAILUA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Mark Begley, Kiman Wong, Su Shin, Roy Irei, John Thompson, Steven Schutte, Clayton Tom, Victor Ramos, and Marshall Kanehailua to possess the requisite qualifications to be nominated to the Wireless Enhanced 911 Board.

Your Committee received testimony in support of Mark Begley from the Department of Accounting and General Services, Enhanced 911 Board, Oceanic Time Warner Cable, and two individuals.

Mr. Begley has over twenty-one years of experience in public safety in Hawaii. Mr. Begley is the Assistant Chief of Kauai Police and project manager for Kauai's next-generation 911 call-handling project and has conducted significant research in this area. He believes there are critical technical capabilities that have not yet been deployed for 911 service in the State of Hawaii, such as the ability to receive text messages, photos, and video via 911 calls. This significantly restricts the ability of some disabled citizens and others who are in situations that prevent them from using the current 911 system. He would like to help facilitate a statewide movement toward enhanced 911 services that accommodates people who are unable to speak during a time of emergency.

Your Committee received testimony in support of Kiman Wong from the Department of Accounting and General Services, Enhanced 911 Board, Honolulu Department of Information Technology, Maui Police Department, Kauai Police Department, United Airlines-Hawaii, Oceanic Time Warner Cable, T-Mobile USA, and several individuals.

Mr. Wong is currently the General Manager of Wireless (Road Runner Mobile), Oceanic Time Warner Cable. Part of his role is to keep abreast of wireless trends and to launch new advanced services as a premier cable, digital phone, and information service provider for state and county government, businesses, and residents in Hawaii. Throughout his career, Mr. Wong has served on government,

nonprofit, and professional boards and foundations. Most recently he served on a State task force that produced recommendations for the Hawaii Broadband Initiative, now a critical component to the state's economic development strategy. He is also active with the Infragard Honolulu Members Alliance, which developed a community network to share and address critical infrastructure crime concerns and help mentor school children.

Your Committee received testimony in support of Su Shin from the Department of Accounting and General Services, Enhanced 911 Board, Honolulu Department of Information Technology, Kauai Police Department, Sandwich Isles Communications, Inc., Waimana Enterprises, Inc., and several individuals.

Ms. Shin is currently the Vice President, Strategic Alliances, with Waimana Enterprises, Inc., the parent company of Sandwich Isles Wireless, a wireless provider. Ms. Shin's responsibilities include the establishment and management of a new statewide wireless company, Sandwich Isles Wireless, which ensures that native Hawaiians across Hawaiian home lands have access to reliable and affordable wireless broadband telecommunications services. This new venture requires creating and maintaining critical partnerships with government and private sector and nonprofit agencies.

Your Committee received testimony in support of Roy Irei from the Department of Accounting and General Services, Enhanced 911 Board, Honolulu Department of Information Technology, Hawaii Police Department, Oceanic Time Warner Cable, and several individuals.

Mr. Irei is currently the General Manager with T-Mobile USA, a wireless provider. He is responsible for all aspects of T-Mobile's operations in Hawaii. He served previously on the Wireless Enhanced 911 Board, including as Chair. Mr. Irei believes that as Next Generation 9-1-1 technology becomes available, the public safety answering point will require a tremendous amount of assistance and cooperation from the telecommunications industry. The Next Generation 9-1-1 technology will fill that gap to assist the emergency needs of the community.

Your Committee received testimony in support of John Thompson from the Department of Accounting and General Services, Enhanced 911 Board, Honolulu Department of Information Technology, Kauai Police Department, Oceanic Time Warner Cable, and several individuals.

Mr. Thompson is a Major and Commander of the Communications Division, Honolulu Police Department. The Honolulu Police Department's Communications Division operates the largest public safety answering point for 911 calls in the State of Hawaii. In 2011, its operators received 954,783 calls to 911, including 735,008 for police, 79,033 for emergency medical services, 56,423 for Honolulu Fire Department response, and 84,319 for other services. Major Thompson served on the Technical Committee of the Wireless Enhanced 911 Board from August 2010 to March 2011. He has also been serving on the Finance Committee of the Wireless Enhanced 911 Board since March 2011.

Your Committee received testimony in support of Steven Schutte from the Department of Accounting and General Services, Enhanced 911 Board, City and County of Honolulu Department of Information Technology, City and County of Honolulu Department of Emergency Management, Kauai Police Department, State of Hawaii Organization of Police Officers, Sandwich Isles Communications, Inc., Oceanic Time Warner Cable, Joint Base Pearl Harbor-Hickam Emergency Operations Center, and several individuals.

Mr. Schutte is the Government Account Executive and Retail Sales Manager for Verizon Wireless. He is a member of the Telecommunications Utility Working Group that seeks to find solutions to enable quick and efficient responses to emergency calls. Mr. Schutte wants to ensure that enhanced 911 fund monies are used to adequately fund public safety answering points to ensure compliance with the Next Generation 9-1-1 initiative.

Your Committee received testimony in support of Clayton Tom from the Department of Accounting and General Services, Department of Budget and Finance, Enhanced 911 Board, Honolulu Department of Information Technology, Maui Police Department, Maui Prosecuting Attorney, Maui Department of Management, Oceanic Time Warner Cable, Equity One Real Estate, Inc., and several individuals.

Mr. Tom is currently the Deputy Chief of Police of the Maui County Police Department, and also a current member of the Wireless Enhanced 911 Board. He served as Bureau Commander of the Communications Section, charged as the public safety answering point, which receives 9-1-1 calls and dispatches the appropriate response. His department dispatches all emergency calls for law enforcement, firefighting, ambulance, and other emergency services. Mr. Tom's insight and knowledge will be valuable in achieving his vision for the Enhanced 911 Board to provide the highest quality of technology and equipment for all state public safety answering points, which will enhance overall public safety and responses to emergency situations.

Your Committee received testimony in support of Victor Ramos from the Department of Accounting and General Services, Enhanced 911 Board, Department of Budget and Finance, Honolulu Department of Information Technology, Maui Police Department, Maui Prosecuting Attorney, Oceanic Time Warner Cable, and several individuals.

Mr. Ramos is currently a Captain and the Commander of the Internal Affairs Division of the Maui Police Department. He has served as the Commander of the Molokai district. Mr. Ramos is also a current member of the Enhanced 911 Board. He believes that that it is absolutely crucial that everyone dialing 9-1-1 can be identified and located so that their emergency needs can be addressed. Mr. Ramos is committed to reaching the goal of having interoperability between all public safety answering points.

Your Committee received testimony in support of Marshall Kanehailua from the Department of Accounting and General Services, Enhanced 911 Board, Honolulu Department of Information Technology, Maui Mayor, Hawaii Police Department, and several individuals.

Mr. Kanehailua is currently an Assistant Police Chief with the Hawaii County Police Department overseeing the Administrative and Technical Services Divisions. With twenty-two years of experience as a police officer, he knows firsthand how important it is to ensure that public safety answering points and the wireless providers receive the funding necessary to deliver emergency help as

quickly and as efficiently as possible. He is committed to ensuring that the community receives the highest quality of emergency 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, 5. Noes, none. Excused, none.

SCRep. 2820 Human Services on Gov. Msg. Nos. 676, 677, 678, and 679.

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON FATHERHOOD

G.M. No. 676 S. BRUCE BERGER, for a term to expire 6-30-2013;

G.M. No. 677 CARL MAKINO, for a term to expire 6-30-2013;

G.M. No. 678 DARRIN SATO, for a term to expire 6-30-2015; and

G.M. No. 679 WALTER YOSHIMITSU, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds S. Bruce Berger, Carl Makino, Darrin Sato, and Walter Yoshimitsu to possess the requisite qualifications to be nominated to the Commission on Fatherhood.

Your Committee received testimony in support of the nomination of S. Bruce Berger from the Department of Human Services and one individual.

Mr. Berger has over twenty years of counseling experience in Hawaii. He is currently a Counseling Psychologist with the United States Army's Alcohol and Substance Abuse Clinic at Schofield Barracks. He addresses issues of alcoholism and substance abuse by providing an array of services to soldiers who are in need of services and supports, particularly soldiers who are fathers that are in need of therapy or counseling services. Mr. Berger created a speakers bureau of motivational presenters sharing first-hand experiences of recovery from substance abuse, child welfare issues, and family matters.

Your Committee finds that Mr. Berger's appointment would fill the remaining term of a vacant position and serve as the Senate's representative. Mr. Berger indicated in his personal statement that despite the fact that he has had numerous professional experiences working with families where he has helped prevent out of home placement of children, he believes that his unique personal experience as a father will be the most valuable experience he can bring as a member of the Commission on Fatherhood.

Your Committee received testimony in support of the nomination of Carl Makino from the Department of Human Services and one individual.

Mr. Makino was most recently a Case Worker with the Fatherhood Services of the The Salvation Army's Family Treatment Services. He was responsible for providing services to fathers of children whose mothers were clients of The Salvation Army's Family Treatment Services. These services included providing classes for new fathers, educational and vocational counseling, domestic violence prevention training, job search assistance, relapse prevention, and assisting in entering substance abuse treatment programs. Mr. Makino was also The Salvation Army's prison liaison and worked with incarcerated men in all of Oahu's corrections facilities.

Mr. Makino indicated in his personal statement that it is a combination of his experiences that makes him a strong candidate for the Commission. His work with at-risk fathers and his previous position with a state board make him qualified for the position. He also hopes to begin discussions with state departments to discuss the lack of sustainable programs, particularly programs for single, at-risk fathers. He is also interested in addressing the need for domestic violence intervention programs for fathers led by fathers.

Your Committee finds Mr. Makino's appointment would fill the remaining term of a vacant position and provide representation to the Commission as the Senate's representative. Mr. Makino possesses the education, administrative, and counseling background that will be of great benefit to the Commission on Fatherhood. His dedication to public service is a testament to his commitment to the Commission and its work.

Your Committee received testimony in support of the nomination of Darrin Sato from the Department of Human Services, the Kalihi-Palama Health Center, and one individual.

Mr. Sato comes to the Commission with an extensive background in social work and mental health and will provide the Commission with insight as a practitioner and an administrator. Mr. Sato is currently the Chief Operations Officer at the Kalihi-Palama Health Center, a position he has held since 2005. As Chief Operations Officer, he is responsible for all programs such as health care for the homeless, health education, and behavioral health. Prior to this position, Mr. Sato held positions such as the Interim Executive Director and the Director of Behavioral Health and Social Sciences at the Kalihi-Palama Health Center.

Mr. Sato has also worked and volunteered at the Diamond Head Mental Health Center and the American Red Cross and is active on numerous boards and community organizations including the Association of Asian Pacific Community Health Organizations, the Advisory Board for the University of Hawaii's School of Social Work, and the National Association of Social Workers – Hawaii Chapter. Mr. Sato was also an adjunct professor at the University of Hawaii's School of Social Work where he received the 2002 Hawaii State Social Worker of the Year Award.

Mr. Sato indicated in his personal statement that he believes his many years of working with low-income and at-risk populations make him a good candidate to serve on the Commission. He is familiar with programs and relevant research in the area of parenting

and human development. He has also had the unique opportunity to work with many new immigrants to Hawaii and hopes this knowledge will provide insight and information on cultural diversity on the Commission.

Your Committee finds Mr. Sato's appointment would fill a vacant position and provide representation to the Commission as the House of Representative's representative.

Your Committee received testimony in support of the nomination of Walter Yoshimitsu from the Department of Human Services, Catholic Charities Hawai'i, Diocese of Honolulu, the Hawaii Family Forum, and two individuals.

In January 2012, Mr. Yoshimitsu was appointed to his current position as the Director of the Hawaii Catholic Conference, the legislative arm of the Catholic Church. Prior to his work with the Catholic Church, Mr. Yoshimitsu worked at the Estate of James Campbell in various positions and Blackfield Hawaii as a Project Manager for Development. He also attended post-graduate classes at the University of Hawaii and earned a certificate as a Certified Property Manager.

Testimony received by your Committee indicates Mr. Yoshimitsu has an extensive background as a businessman, administrator, and a lay religious person. He serves on the board of many nonprofit organizations and is actively involved in solving the crisis of homelessness and affordable housing in Hawaii.

Mr. Yoshimitsu indicated in his personal statement that his experience as a proud father will help him contribute to furthering the importance of fatherhood. He also assists couples in the preparation for and permanency of marriage and feels he has a valuable vantage point to educate individuals on the roles associated with marriage and parenting.

Your Committee finds Mr. Yoshimitsu's appointment would fill a vacant position and provide representation to the Commission as the House of Representative's representative. Mr. Yoshimitsu is a strong individual with positive values and conviction of the importance of family life, specifically what it means to be a father. His background in housing, social services, and counseling will benefit the Commission on Fatherhood greatly.

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. 2821 Human Services on Gov. Msg. No. 630.

Recommending that the Senate advise and consent to the nomination of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 630 BEVERLY JEAN WITHINGTON, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history and statement submitted by the nominee and finds 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 Beverly Jean Withington from the Executive Office on Aging of the Department of Health and one individual.

Ms. Withington resides in the County of Hawaii and is currently a practicing attorney. She obtained her Juris Doctorate from the William S. Richardson School of Law at the University of Hawaii and maintains a small, private law practice limited to family law that focuses primarily on representing parents and children in child protective services cases.

Before Ms. Withington became an attorney, she worked as a registered nurse at Honokaa Hospital and Hilo Hospital. Her legal and health care background afforded her the opportunities to work at the Hawaii County Office of the Corporation Counsel Family Support Division and to be appointed to serve on the Hawaii County Sub-area Health Counsel and Board of Registration. She also served two terms on the Board of Directors of Hospice of Hilo and currently serves as a member of the Baccalaureate Nursing Program at the University of Hawaii at Hilo School of Nursing Advisory Board.

Ms. Withington expressed through her personal statement that she wishes to assist in building a strong and sustainable economy, investing in Hawaii's people, and creating stronger communities. Her past and previous involvement in the community demonstrates her dedication, diverse skills, and informed background.

Your Committee finds that Ms. Withington provides the Board with valuable knowledge, given her background in nursing and law, thus ensuring broader representation and perspectives on the Policy Advisory Board for Elder Affairs. Her passion to make a positive contribution to Hawaii's community as demonstrated by her extensive volunteerism and public service will make her a valuable asset to the mission and work of the Board.

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. 2822 Human Services on Gov. Msg. Nos. 533, 534, 535, 536, 537, and 593.

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

- G.M. No. 533 VIVIAN LANDRUM, for a term to expire 6-30-2014;
G.M. No. 534 ARTHUR CABANILLA, for a term to expire 6-30-2014;
G.M. No. 535 FRANCINE KENYON, for a term to expire 6-30-2013;
G.M. No. 536 GUY TAJIRI, for a term to expire 6-30-2014;
G.M. No. 537 FINIA KACHITA, for a term to expire 6-30-2013; and
G.M. No. 593 BRANDON MORITA, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Vivian Landrum, Arthur Cabanilla, Francine Kenyon, Guy Tajiri, Finia Kachita, and Brandon Morita to possess the requisite qualifications to be nominated to the State Rehabilitation Council.

Your Committee received testimony in support of the nomination of Vivian Landrum from the Workforce Development Division of the Department of Labor and Industrial Relations, the Department of Research and Development of the County of Hawai'i, American Savings Bank, Current Events, and Kohala Coast Resort Association.

Ms. Landrum is the President and Chief Executive Officer of the Kona-Kohala Chamber of Commerce. She has an extensive background and knowledge of the business industry focusing on tourism and the promotion of the Big Island of Hawaii. Ms. Landrum has demonstrated dedication to the disabled population and initiative by participating in numerous meetings and forums aimed at encouraging and improving the business linkages that support the disabled community.

Ms. Landrum feels her nomination to the State Rehabilitation Council is an ideal position for her to apply her educational degrees in speech and hearing sciences and special education, call upon her network of contacts, and utilize her strengths of organization, responsibility, commitment, and professionalism.

Testimony received by your Committee indicates that Ms. Landrum has the experience, leadership, and willingness to serve the community. Her educational background, extensive work experience, and her participation in various community service activities will ensure that the State Rehabilitation Council will be responsive to the needs of the business customer and ensure an effective and integrated system for jobseekers with disabilities.

Your Committee received testimony in support of the nomination of Arthur Cabanilla from the Department of Human Services; the Hawaii Association of the Blind; Island Skill Gathering; Ho'opono Services for the Blind; Taylannas, Inc.; and one individual.

Your Committee finds that Mr. Cabanilla will provide representation to the State Rehabilitation Council as an advocate and a previous recipient of services from the Hawai'i Vocational Rehabilitation Services for the Blind.

Mr. Cabanilla is certified as an Access Technology Specialist and is dedicated to working with individuals with disabilities and provides training and assessment in the skills of assistive technology. His service as a trainer of access technology teaches blind individuals the computer skills they need to successfully compete in today's job market.

Mr. Cabanilla brings to the Council his personal experience as an individual who has experienced personal blindness for the majority of his childhood and entire adult life.

He has been involved with the blind community in various capacities, including serving on several different consumer boards for the blind. His experience includes serving on the Board of Directors for the National Federation of the Blind of Hawaii and being active on the Consumer Advisory Board for the Library of the Blind and Physically Handicapped and Dyslexic, an organization he has been with for the last fifteen years. More recently, he was elected to the Board of Directors for the Hawaii Association of the Blind and presides as Chair on Ho'opono's Consumer Advisory Board, a position he has held for the past two years.

Testimony received by your Committee indicates that Mr. Cabanilla is an active member in organizations dedicated to the disabled, specifically individuals who are visually impaired, and a strong advocate for the independence of people with disabilities. His focus is on expanding the opportunities for people with disabilities to enable them to dream, aspire, and attain their goals within a career and employment of their choice.

Mr. Cabanilla indicated in his personal statement that having faced his own personal physical disability and challenges that come with being blind will make his contributions to the Council of great value to Hawaii's disabled community. He strongly believes that physical barriers are not a disability, but rather a measure of one's ability to overcome the odds and challenges associated with the barriers.

Your Committee received testimony in support of the nomination of Francine Kenyon from the Department of Human Services, the Disability and Communication Access Board, and the American Red Cross.

Ms. Kenyon is an active member of the disabled community and an individual who is hearing impaired. She has a long history of public service confirmed by her participation in numerous organizations as a volunteer, including the American Red Cross, the Access Advisory Council of the City and County of Honolulu Parks and Recreation Department, the Statewide Independent Living Council, and the Deaf and Disability Ministry Commission of Harris United Methodist Church.

Ms. Kenyon is currently a Recreation Assistant for the City and County of Honolulu Parks and Recreation Department. There she fosters and encourages independence and interaction of people with disabilities with other participants in recreational activity programs. She also provides in-service training on sign language to the park staff, junior and senior leaders, and camp counselors to enhance communication access between them and individuals who are hearing impaired.

Testimony received by your Committee indicates Ms. Kenyon to be a highly qualified individual bringing over 40 years of advocacy and education, her experience with the integration of disabled individuals into mainstream society, and her advocacy of

increasing the quality of life for disabled individuals. Ms. Kenyon is one of Hawaii's leaders in the deaf community and is knowledgeable on disability-related issues with an emphasis on deaf and hard of hearing issues.

Your Committee finds that Ms. Kenyon is an excellent example of an individual with a disability taking the opportunity, given the available training and tools, to achieve the same level of education and employment as that of her non-disabled counterparts. Her skills and dedication will make her an asset to the State Rehabilitation Council.

Your Committee received testimony in support of the nomination of Guy Tajiri from the Department of Human Services and the Hawaii Employers Council.

Mr. Tajiri is a Senior Labor Relations Consultant and has exhibited his dedication to advocating for the rights of others. He has over 30 years in the labor industry working at such places as the Hawaii Employers Council, the Department of Education, the Hawaii Fire Fighters Association, and the Hawaii Government Employees Association. First as a union representative and now working within the management side of the labor industry, Mr. Tajiri brings to the Council the important perspectives of both the employee and employer in labor issues.

Testimony received by your Committee indicates that Mr. Tajiri has demonstrated a strong dedication and willingness to create a better work environment for all. He has a unique ability to facilitate a collaborative approach to tackling work-related problems and brings a positive attitude that is infectious and a work ethic that is inspiring. Mr. Tajiri brings a positive respect for the processes of government resources and the necessity to bridge the gap of misunderstandings toward a positive perception of the employment of individuals with disabilities.

Your Committee finds that Mr. Tajiri's professional experience offers a much-needed network that can support the awareness and education of the abilities of individuals with disabilities to Hawaii's businesses and employers. He has a lifetime of personal and professional awareness of the diverse cultural needs of Hawaii's labor market and will bring this unique perspective to the Council.

Your Committee received testimony in support of the nomination of Finia Kachita from the Department of Human Services.

Testimony received by your Committee indicates that Ms. Kachita has been a resident of Hawaii since 2006, arriving from Chuuk and Guam to begin her own pursuit of vocational rehabilitation and her career path through higher education at the University of Hawaii. She brings a much needed perspective as a young adult from a Micronesian Pacific Rim nation and a recipient of training services from the Department of Human Services' Ho'opono Services for the Blind program.

Ms. Kachita brings to the Council a lifetime of living in diverse cultural environments as an individual with a disability. She is a leader in local and national consumer group activities and is an advocate for the rights of her disabled comrades. Ms. Kachita also continues to be a mentor to others. She maintains that given the right opportunity, training, and tools, people with disabilities can achieve the same level of education and employment as their non-disabled counterparts.

Ms. Kachita indicated in her personal statement that she is steadfast in her commitment to being the voice of disabled consumers. She wants to help make a difference in the lives of Hawaii's disabled and would like to enable them to achieve successful employment and ultimately a quality life.

Your Committee finds that Ms. Kachita's desire to assist people and willingness to listen to others and come to a solution that addresses everyone's concerns are strengths that make her a valuable member of the State Rehabilitation Council.

Your Committee received testimony in support of the nomination for Brandon Morita from the Department of Human Services, Lanakila Pacific, and one individual.

Mr. Morita is a Financial Advisor with the Northwestern Mutual Financial Network, a large corporate finance company, and brings to the Council a background and education in business administration with a focus on accounting and finance. In his current position, Mr. Morita provides customized financial solutions to meet the long-term financial goals and objectives of his clients.

As an individual with a close family member with a lifetime disability, Mr. Morita understands the need for resources, training, and services dedicated to individuals with disabilities to help them attain a quality life.

Testimony received by your Committee indicates that Mr. Morita brings to the Council a commitment to those with disabilities, his professional and personal values, and his vision that people with disabilities can achieve a life of quality and community integration equal to their non-disabled peers given the right opportunities, tools, and resources.

Mr. Morita indicated in his personal statement that he understands the importance of giving back to the community. He finds himself to be well-qualified for the position as he has worked with many different kinds of people from all walks of life. He assures the State Rehabilitation Council that he has the public's best interest in mind and at heart.

Your Committee finds that Mr. Morita's strong business and financial background will provide the State Rehabilitation Council with business and labor representation. Your Committee also finds that Mr. Morita's ability to reach beyond differences such as age and ability will allow the Council to come together on decisions that best meet the needs of the disabled community.

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 (Ihara).

SCRep. 2823 Human Services on Gov. Msg. Nos. 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, and 641.

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

- G.M. No. 631 SARAH AHINA, for a term to expire 6-30-2016;
G.M. No. 632 BEN DALAUIDAO, for a term to expire 6-30-2016;
G.M. No. 633 SOL RAY DUNCAN, for a term to expire 6-30-2016;
G.M. No. 634 MELISSA GIBO, for a term to expire 6-30-2016;
G.M. No. 635 LOUISE IWAISHI, for a term to expire 6-30-2016;
G.M. No. 636 APRIL MIRA, for a term to expire 6-30-2016;
G.M. No. 637 PATRICIA NISHIMOTO, for a term to expire 6-30-2016;
G.M. No. 638 THERESA OCTAVIO, for a term to expire 6-30-2016;
G.M. No. 639 PAMELA RICE, for a term to expire 6-30-2016;
G.M. No. 640 JOSHUA SMALLEY-BOWER, for a term to expire 6-30-2016; and
G.M. No. 641 CHRISTOPHER TOYAMA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Sarah Ahina, Ben Dalauideo, Sol Ray Duncan, Melissa Gibo, Louise Iwaishi, April Mira, Patricia Nishimoto, Theresa Octavio, Pamela Rice, Joshua Smalley-Bower, and Christopher Toyama 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. Your Committee finds that the nominees meet the Federal requirements for Council membership.

SARAH AHINA

Your Committee received testimony in support of the nomination of Sarah Ahina from the State Council on Developmental Disabilities and one individual.

Ms. Ahina is the Chair of the Self-Advocacy Advisory Council that is working with the State Council on Developmental Disabilities to form a statewide self-advocacy network. As Chair, she presides over the Self-Advocacy Advisory Council as a stakeholder group and provides feedback to the Department of Health's Developmental Disabilities Division regarding the Developmental Disabilities Waiver program. Ms. Ahina is also a member of the Council's Employment and Education Committee, which is working to increase supports for people with intellectual and developmental disabilities. The Committee's work is dedicated to obtaining and sustaining the chosen life goals of students with developmental disabilities and to prepare students at all educational levels for the transition from high school to adult life, including employment, self-employment, and post-secondary education and training.

Ms. Ahina indicated in her personal testimony that she hopes to recruit more self-advocates on the neighbor islands in order to establish a statewide self-advocacy network. She has served on the State Council on Developmental Disabilities for the past three years and wishes to continue to help others access services and supports and secure employment so they can achieve independence and be contributing members to the community.

BEN DALAUIDAO

Your Committee received testimony in support of the nomination of Ben Dalauideo from the State Council on Developmental Disabilities, Insight Center for Community Economic Development, and three individuals.

Mr. Dalauideo is an active member of the Council's Employment and Education Committee that is working to increase employment options and promote individualized school transitions to employment, self-employment, and post-secondary options for individuals with developmental disabilities. He is also currently a volunteer at the Veterans Hospital and an Assistant to the Instructor at the Performing Arts Lengthening Stride in Hilo.

Mr. Dalauideo indicated in his personal statement that he learned a lot during his first term on the Council and would like to continue the valuable work he is doing. As a resident of East Hawaii and a self-advocate, he represents individuals with developmental disabilities from East Hawaii and is a very motivated member of the East Hawaii Developmental Disabilities Committee. His representation will provide the perspective the Council needs to assess and enhance the services provided in neighbor island communities. Mr. Dalauideo will provide valuable insight on how to support individuals with developmental disabilities to become leaders in the community and to establish a statewide self-advocacy network.

SOL RAY DUNCAN

Your Committee received testimony in support of the nomination of Sol Ray Duncan from the State Council on Developmental Disabilities, The Arc in Hawaii, and one individual.

Mr. Duncan is currently a member of the Pearl City Neighborhood Board, the President of Arc Advocates, and an active member of the Self-Advocacy Advisory Council. He has experience working at Kohala High School as a Custodian and Cleaning Assistant, the State of Hawaii Office of Elections as a Precinct Official, Kapiolani Travel Agency as an Intern, and the Republic Parking Northwest, Inc., as a Parking Auditor. He is also an avid athlete and has participated in the Special Olympics in track, softball, soccer, and basketball.

Testimony received by your Committee indicates that Mr. Duncan's independent living and his active involvement in the community would assist the Council in achieving its State Plan Goal through leading by example as a person who is self-determined and living life to the fullest, and Mr. Duncan believes that these strengths qualify him to serve on the State Council on Developmental Disabilities. His hope is that the Council will address and solve transportation issues, such as ensuring timely pick-ups by The Handi-Van Service, and employment issues, such as individuals with developmental disabilities maintaining employment without jeopardizing their Supplemental Security Income benefits.

Your Committee finds Mr. Duncan's commitment and dedication inspiring. His experience will assist him in being the voice of individuals who cannot speak for themselves and to advocate for the rights of the developmentally disabled population.

MELISSA GIBO

Your Committee received testimony in support of the nomination of Melissa Gibo from the Department of Human Services, Advantage Health Care Provider, Catholic Charities Hawai'i, Full Life, Hawaii Disability Rights Center, SECOH, the University of Hawaii at Hilo, and three individuals.

Ms. Gibo comes to the State Council on Developmental Disabilities with nine years of professional experience working with individuals with developmental disabilities and a deep understanding of the relevant issues to advocate for and to better serve the developmentally disabled population. She assists developmentally disabled individuals in becoming competitively employed as part of their goal to build self-sufficiency. She is currently the Program Director for the Developmental Disabilities Waiver Services program at Catholic Charities Hawai'i. In this role, Ms. Gibo works with individuals with developmental and intellectual disabilities who reside in residential facilities. Ms. Gibo has also held positions as a housing specialist and employment and education counselor.

Ms. Gibo indicated from her personal statement that she has developed a strong sense of responsibility and a deep commitment to advocating for full inclusion and integration in Hawaii's community so that all people, regardless of ability or disability, may live fully self-determined lives. She hopes that the Council will strengthen the current service system to ensure all individuals with developmental disabilities receive individualized supports, based on best practices, to live the life they choose.

Ms. Gibo's multiple levels of experience with the Developmental Disabilities Waiver Program, Hawaii Waiver Providers Association's Board of Directors, housing, employment, and education will assist the State Council on Developmental Disabilities in achieving its 2012-2016 State Plan goals for community supports, employment, and education.

LOUISE IWAISHI

Your Committee received testimony in support of the nomination of Louise Iwaishi from the Department of Health; the Health Resources Administration, Family Health Services Division, Department of Health; the State Council on Developmental Disabilities; the University of Hawaii at Manoa; and one individual.

Dr. Iwaishi comes to the State Council on Developmental Disabilities with a long professional history as a dedicated physician, children's advocate, strong supporter of families in caring for their children, and trainer for pediatricians providing care for individuals with developmental disabilities. Currently, Dr. Iwaishi is the Medical Director for the Family Health Services Division of the Department of Health. She also serves as the principal investigator for the Leadership Education in Neurodevelopmental and Other Related Disabilities Program and a faculty member under the Pediatrics Department of the John A. Burns School of Medicine at the University of Hawaii, and as the Chief of Pediatrics at Shriners Hospital.

Testimony received by your Committee indicates that Dr. Iwaishi has been an active member of the Council, serving as Co-Chair of the Council's Health and Early Childhood Committee. This Committee works to increase access to medical and dental care services, works to increase access by children and youth with special health care needs and their families to family-centered, community-based, integrated interventions, and supports opportunities to ensure quality of life.

Dr. Iwaishi indicated in her personal statement that she brings to the Council her ability to advocate the holistic medical support of individuals with developmental disabilities and their families, her experience as a health care provider, and her commitment to interdisciplinary teamwork and interprofessional collaboration. She believes that a fully integrated system of care will assure high quality and cost effective services and supports for those with developmental disabilities.

Your Committee finds that Dr. Iwaishi's wealth of knowledge and experience will greatly assist the State Council on Developmental Disabilities in improving health and developmental outcomes for individuals with developmental disabilities and improving the provision of appropriate early intervention services to infants and toddlers with special needs.

APRIL MIRA

Your Committee received testimony in support of the nomination of April Mira from the State Council on Developmental Disabilities, The Arc in Hawaii, and one individual.

Ms. Mira is an individual who has a lifetime of experience living with a disability. She comes to the Council with experience and knowledge on accessing services from the State. She lives independently with supports in Pearl City operated by The Arc in Hawaii. As a current member of the Council's Employment and Education Committee, she would like to increase job opportunities for individuals with developmental disabilities and is involved with Abilities Unlimited to learn about available jobs in the community.

Testimony received by your Committee indicates that Ms. Mira is a graduate of the Council-sponsored Partners in Policymaking Leadership Academy. She is a member of the Self-Advocacy Advisory Council and has been actively involved in recruiting to expand its membership. She is currently a member of the Council's Community Supports, Employment, and Education and Health and Early Childhood Committees.

Ms. Mira indicated in her personal statement that as an individual living with a lifetime disability and an individual seeking employment, she hopes the Council will focus on increasing job opportunities for individuals with developmental disabilities. Also, as a self-advocate, she would represent other self-advocates for services that she currently receives such as personal assistance services

that allow her to live independently. Her presence on the State Council on Developmental Disabilities will ensure individuals with developmental disabilities have a voice, an advocate, and a positive role model in the community.

PATRICIA NISHIMOTO

Your Committee received testimony in support of the nomination of Patricia Nishimoto from the State Council on Developmental Disabilities and one individual.

Dr. Nishimoto is currently the Director of the Masters in Social Work Program and an Assistant Professor in the Social Work Program at Hawaii Pacific University. She was previously an instructor at the University of Hawaii's School of Social Work, John A. Burns School of Medicine, Maternal and Child Health Leadership Education in Neurodevelopmental Disabilities program, and Family Resource Department. Dr. Nishimoto is very active in the community and has firsthand experience raising children with special health care needs.

Testimony received by your Committee indicates that Dr. Nishimoto presently serves as Co-Chair of the Council's Community Supports Committee and previously served as Co-Chair of the Health and Early Childhood Committee. Under her leadership as Co-Chair of the Health and Early Childhood Committee, the Council made great strides in monitoring the implementation of the QUEST Expanded Access Program and providing feedback to the Department of Human Services on areas for improvement.

Dr. Nishimoto indicated in her personal statement that the Council serves not only to ensure that the human rights of people with developmental disabilities are protected and honored, but also to personally motivate her as a social work professor at Hawaii Pacific University as she helps students honor diversity and encourage respect for people with developmental disabilities.

Your Committee finds Dr. Nishimoto to have a wealth of knowledge and experience as a practitioner, administrator, advocate, and parent of children with special health care needs. She will greatly assist the State Council on Developmental Disabilities to build capacity in the social work profession to work with individuals with developmental disabilities and their families.

THERESA OCTAVIO

Your Committee received testimony in support of the nomination of Theresa Octavio from the State Council on Developmental Disabilities and one individual.

Ms. Octavio is an adult with a developmental disability who lives independently with supports. She is a graduate of the Council-sponsored Partners in Policymaking Leadership Academy and has met with numerous legislators to express her concern and support for increased dental and transportation services on Kauai. Ms. Octavio is an active member of the Kauai Developmental Disabilities Committee comprised of individuals with developmental disabilities, family members, and public and private service providers. She is also a member of the Council's Employment and Education Committee that is involved in increasing employment, self-employment, and post-secondary education options for persons with developmental disabilities.

Testimony received by your Committee indicates that Ms. Octavio has experience serving as an advisor to the State Council on Developmental Disabilities and a liaison between the Council and the Kauai Developmental Disabilities Committee. As a member and leader, she reports on activities of the Committee and does not hesitate to offer her position or suggestions on matters pertaining to self-advocates.

Ms. Octavio indicated in her personal statement that Council members are there to help fight for what is right and fair for Hawaii's special needs community. As a member of the Council, she hopes to continue to remind the Department of Health's case managers to treat individuals with developmental disabilities as human beings and to allow and support them in leading their own lives.

Your Committee finds that as a resident of the Island of Kauai, Ms. Octavio will provide the Council with a valuable perspective on the access to and variety of services available to individuals with disabilities on the neighbor islands.

PAMELA RICE

Your Committee received testimony in support of the nomination of Pamela Rice from the State Council on Developmental Disabilities and three individuals.

Ms. Rice is a mother of two sons with disabilities. She has a wealth of knowledge and background from her involvement with numerous community organizations and programs. She was a member of Americorps where she was an advocate for school children with learning disabilities and their families. She is a graduate of the Council-sponsored Partners in Policymaking Leadership Academy and subsequently became a facilitator. She is a member of the Po'ohala Council and the Waianae Children's Community Council. She has attended many trainings and conferences on autism, dyslexia, attention deficit disorder, Individuals with Disabilities Education Act, diabetes, and other topics. She has also completed training with Hawaii Families as Allies for Department of Education service testing. She is an advocate for numerous Individualized Education Plan program meetings in support of students and their families in Hawaii and in New Hampshire.

Testimony received by your Committee indicates that Ms. Rice's experience as a parent will continue to give the parent's voice and perspective of the importance of supporting families to enable their child to live with them. She has been active with the Council's annual "Day at the Capitol" event. She also serves as a mentor for other parents to convey their interests and concerns to the legislators.

Ms. Rice indicated in her personal statement that as a parent of two adult sons with disabilities, she has been blessed to have a circle of support from the disability community. Her service to and membership on the Council is her way of paying forward the support she has received. During her term on the Council, Ms. Rice hopes the Council will become more involved with family support and advocacy. As part of a family that required supports and services, she believes families need help and the Council is in a position to find a more proactive way of supporting these families.

JOSHUA SMALLEY-BOWER

Your Committee received testimony in support of the nomination of Joshua Smalley-Bower from the State Council on Developmental Disabilities and three individuals.

Mr. Smalley-Bower comes to the Council with experience in receiving services through the Medicaid Home and Community-Based Waiver program. As a person with medical conditions, he understands the importance of accessible comprehensive medical care for persons with developmental disabilities. Despite his medical challenges, Mr. Smalley-Bower continues to participate, educate, and advocate on his behalf and many others. He represented Hawaii at the National Assistive Technology Conference and the National Youth Leadership Conference in Washington, D.C. He was a University of Hawaii "My Voice, My Choice" participant and most currently will represent Hawaii at a regional Youth Leadership Conference to be held in Honolulu. Mr. Smalley-Bower has also volunteered at Pac-Rim Conferences to demonstrate assistive technology, volunteered at Easter Seals Hawaii to teach other youth with disabilities computer skills, and testified before the Legislature about his self-determination. Mr. Smalley-Bower has also had the honor of receiving the 1997 Pac-Rim Make A Difference Award.

Testimony received by your Committee indicates that Mr. Smalley-Bower provides a unique perspective from his experience with accessing services through Medicaid and being an individual who requires comprehensive medical care. He is a member of the Council's Employment and Education Committee that is addressing increasing access to information on employment, self-employment, and post-secondary options for students, families, teachers, and case managers. He is also a member of the Self-Advocacy Advisory Council, which is working on establishing a statewide self-advocacy network that includes and is governed by individuals with developmental disabilities.

Mr. Smalley-Bower indicated in his personal statement that as a member of the State Council on Developmental Disabilities, he hopes to encourage individuals with developmental disabilities to seek necessary services and supports to live self-determined lives and to find ways for individuals that are in medically complicated situations to achieve self-determination.

Mr. Smalley-Bower's experiences will allow him to contribute to the Council's advocacy efforts to assure that the program provides an array of services to support individuals with developmental disabilities in the community in a flexible and individualized manner. He is a true self-advocate who articulates his desires and exercises his rights and self-determination.

CHRISTOPHER TOYAMA

Your Committee received testimony in support of the nomination of Christopher Toyama from the State Council on Developmental Disabilities and one individual.

Mr. Toyama lives independently with supports. He works at Costco Waipio as a product demonstrator and has an extensive customer service background as indicated by his work experience at Lanakila Crafts of the Lanakila Rehabilitation Center, The Salvation Army, and Zippy's.

Testimony received by your Committee indicates that for the past four years, Mr. Toyama has avidly expressed his desire to serve on the Council. He is an enthusiastic individual who enjoys helping others achieve independence as he has. His accomplishments in living independently and working at a large business firm is evidence that people with developmental disabilities can live and work in the community.

Mr. Toyama indicated in his personal statement that he is a very passionate and outspoken person. He is a competent communicator and a confident public speaker due to his participation in the Global Messengers for the Special Olympics Toastmasters program. He believes that he possess the knowledge and ability to aid in the decision making process of the State Council on Developmental Disabilities. Your Committee is confident that Mr. Toyama's energy and dedication will inspire those who work with him and that his ability to articulate his point of view will provide an example for other individuals to speak for themselves.

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. 2824 Water, Land, and Housing on S.C.R. No. 18

The purpose and intent of this measure is to authorize the sale of the leased fee interest of the single-family home located at 593 Kuliouou Road, Honolulu, Hawaii, to its leaseholder.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation ("HHFDC") and two individuals. Comments on this measure were received from the Office of Hawaiian Affairs.

Your Committee finds that the long-term leases in the Kauhale Aupuni O Kuliouou development included a clause giving the lessees the contractual right to purchase the leased fee interest in their land. However, the lessees have been unable to do so because of ceded land issues. The HHFDC has been in contact with the Office of Hawaiian Affairs and has found that only a small portion is ceded land. Subsequently, HHFDC conducted a public meeting on this proposed sale after posting the notification in the newspaper, and no objections were raised.

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. 18 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6, Ayes with Reservations (Fukunaga, Shimabukuro). Noes, none. Excused, 1 (Solomon).

SCRep. 2825 Water, Land, and Housing on S.C.R. No. 19

The purpose and intent of this measure is to authorize the sale of the leased fee interest of the single-family home located at 619 Kuliouou Road, Honolulu, Hawaii, to its leaseholder.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation (“HHFDC”) and three individuals. Comments on this measure were received from the Office of Hawaiian Affairs.

Your Committee finds that the long-term leases in the Kauhale Aupuni O Kuliouou development included a clause giving the lessees the contractual right to purchase the leased fee interest in their land. However, the lessees have been unable to do so because of ceded land issues. The HHFDC has been in contact with the Office of Hawaiian Affairs and has found that only a small portion is ceded land. Subsequently, HHFDC conducted a public meeting on this proposed sale after posting the notification in the newspaper, and no objections were raised.

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. 19 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6, Ayes with Reservations (Fukunaga, Shimabukuro). Noes, none. Excused, 1 (Solomon).

SCRep. 2826 Water, Land, and Housing on S.C.R. No. 20

The purpose and intent of this measure is to authorize the sale of the leased fee interest of the single-family home located at 644 Hokiokio Place, Honolulu, Hawaii, to its leaseholder.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation (“HHFDC”) and two individuals. Comments on this measure were received from the Office of Hawaiian Affairs.

Your Committee finds that the long-term leases in the Kauhale Aupuni O Kuliouou development included a clause giving the lessees the contractual right to purchase the leased fee interest in their land. However, the lessees have been unable to do so because of ceded land issues. The HHFDC has been in contact with the Office of Hawaiian Affairs and has found that only a small portion is ceded land. Subsequently, HHFDC conducted a public meeting on this proposed sale after posting the notification in the newspaper, and no objections were raised.

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. 20 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6, Ayes with Reservations (Fukunaga, Shimabukuro). Noes, none. Excused, 1 (Solomon).

SCRep. 2827 Water, Land, and Housing on S.C.R. No. 21

The purpose and intent of this measure is to authorize the sale of the leased fee interest of the single-family home located at 2314 10th Avenue, Honolulu, Hawaii, to its leaseholder.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation (“HHFDC”). Comments on this measure were received from the Office of Hawaiian Affairs.

Your Committee finds that the long-term leases of Palolo Solar Homes development included a clause giving the lessees the contractual right to purchase the leased fee interest in their land. However, the lessees have been unable to do so because of ceded land issues. The HHFDC has been in contact with the Office of Hawaiian Affairs and has found that only a small portion is ceded land. Subsequently, HHFDC conducted a public meeting on this proposed sale after posting the notification in the newspaper, and no objections were raised.

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. 21 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6, Ayes with Reservations (Fukunaga, Shimabukuro). Noes, none. Excused, 1 (Solomon).

SCRep. 2828 Water, Land, and Housing on S.C.R. No. 22

The purpose and intent of this measure is to authorize the sale of the leased fee interest of the single-family home located at 41-557 Kamanaaina Place, Waimanalo, Hawaii, to its leaseholder.

Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that the Hawaii Housing Finance and Development Corporation (“HHFDC”) has been in contact with the Office of Hawaiian Affairs and has found that a portion is on ceded land. Accordingly, as this measure continues through the legislative process, your Committee urges its members to carefully deliberate this proposed sale. Your Committee further finds that the HHFDC conducted a public meeting on this proposed sale after posting the notification in the newspaper, and no objections were raised.

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. 22 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6, Ayes with Reservations (Fukunaga, Shimabukuro). Noes, none. Excused, 1 (Solomon).

SCRep. 2829 Water, Land, and Housing on S.C.R. No. 23

The purpose and intent of this measure is to authorize the sale of the leased fee interest in 2949 Ala Ilima Street, No. 303, Honolulu, Hawaii, to its leaseholder.

Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that the Hawaii Housing Finance and Development Corporation (“HHFDC”) has been in contact with the Office of Hawaiian Affairs and has found that this property is not located on ceded land. The HHFDC conducted a public meeting on this proposed sale after posting the notification in the newspaper, and no objections were raised.

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. 23 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6, Ayes with Reservations (Fukunaga, Shimabukuro). Noes, none. Excused, 1 (Solomon).

SCRep. 2830 Water, Land, and Housing on S.C.R. No. 24

The purpose and intent of this measure is to authorize the sale of the leased fee interest in 95-031 Kuaahelani Avenue, No. 242, Mililani, Hawaii, to its leaseholder.

Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that the Hawaii Housing Finance and Development Corporation (“HHFDC”) has been in contact with the Office of Hawaiian Affairs and has found that this property is not located on ceded land. The HHFDC conducted a public meeting on this proposed sale after posting the notification in the newspaper, and no objections were raised.

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. 24 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6, Ayes with Reservations (Fukunaga, Shimabukuro). Noes, none. Excused, 1 (Solomon).

SCRep. 2831 Water, Land, and Housing on S.C.R. No. 25

The purpose and intent of this measure is to authorize the sale of the leased fee interest in 95-017 Kuaahelani Avenue, No. 321, Mililani, Hawaii, to its leaseholder.

Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that the Hawaii Housing Finance and Development Corporation (“HHFDC”) has been in contact with the Office of Hawaiian Affairs and has found that this property is not located on ceded land. The HHFDC conducted a public meeting on this proposed sale after posting the notification in the newspaper, and no objections were raised.

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. 25 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6, Ayes with Reservations (Fukunaga, Shimabukuro). Noes, none. Excused, 1 (Solomon).

SCRep. 2832 Economic Development and Technology on S.C.R. No. 28

The purpose and intent of this measure is to request the Governor to direct the placement of two plaques, to be funded by the Korean community, at:

- (1) Aliiolani Elementary School and to read in English and Korean “Korean Christian Institute Site 1918 – 1922”; and
- (2) Kalihi Elementary School and to read in English and Korean “Korean Christian Institute Site 1922 – 1947”.

Your Committee received testimony in support of this measure from the Korean American Foundation Hawaii.

Your Committee finds that the Department of Land and Natural Resources State Historic Preservation Division would provide comments on signage, such as the plaques, affecting historic property, and the Department of Accounting and General Services would be responsible for the installation of any plaques. As such, it would be appropriate to involve these two agencies in determining the placement of the plaques to meet any federal or state requirements.

Your Committee has amended this measure accordingly, by:

- (1) Amending the title to read: “REQUESTING THE GOVERNOR TO RECOGNIZE LOCAL KOREANS BY DIRECTING THE PLACEMENT OF COMMEMORATIVE PLAQUES DESIGNATING THE FORMER SITES OF THE KOREAN CHRISTIAN INSTITUTE”; and
- (2) Adding language to request the following:

- (A) The State Historic Preservation Division to work with the Korean National Association in the design of the two plaques to ensure that the plaques meet all signage requirements for historic properties; and
- (B) The Department of Accounting and General Services to coordinate the installation of the plaques.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 28, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 28, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Solomon, Slom).

SCRep. 2833 Economic Development and Technology on S.C.R. No. 29

The purpose and intent of this measure is to request the Governor to direct the placement of a plaque, to be funded by the Korean community, at the Kalanimoku Building, and to read in English and Korean "Korean Boarding School for Boys and Korean Methodist Church Site, 1906 – 1918".

Your Committee received testimony in support of this measure from the Korean American Foundation Hawaii.

Your Committee finds that the Department of Land and Natural Resources State Historic Preservation Division would provide comments on signage, such as the plaque, affecting historic property, and the Department of Accounting and General Services would be responsible for the installation of the plaque. As such, it would be appropriate to involve these two agencies in determining the placement of the plaque to meet any federal or state requirements.

Your Committee has amended this measure accordingly, by adding language to request the following:

- (1) The State Historic Preservation Division to work with the Korean National Association in the design of the plaque to ensure that the plaque meets all signage requirements for historic properties; and
- (2) The Department of Accounting and General Services to coordinate the installation of the plaque.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 29, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 29, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Solomon, Slom).

SCRep. 2834 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on H.B. No. 2030

The purpose and intent of this measure is to require motorists, when passing a stationary authorized emergency vehicle with its visual signals activated on a highway, to vacate the lane directly next to the stationary authorized emergency vehicle or slow the vehicle to a safe and appropriate speed that is no greater than is reasonable and prudent.

Your Committees received testimony in support of this measure from the Department of Transportation, State Sheriff, City and County of Honolulu Department of the Prosecuting Attorney, City and County of Honolulu Emergency Medical Services, Hawai'i County Police Department, Maui Police Department, Maui Fire Department, Honolulu Police Department, Mothers Against Drunk Driving, Hawaii Transportation Association, Hawaii Bicycling League, and seventeen individuals. Testimony in opposition to this measure was received from the Public Defender.

Your Committees find that traffic accident fatalities involving police officers responding to emergency situations are tragic and largely avoidable with certain traffic safety precautions. On September 13, 2011, a police officer was killed along Farrington Highway while assisting another officer during a traffic stop which also resulted in severe injuries to the officer being assisted. On January 21, 2012, another police officer was killed while rendering assistance to a commuter in a stalled vehicle on the H-1 freeway.

Your Committees further find that existing law does not address the specific situation of taking precautions when approaching a police vehicle, or any other emergency vehicle, that is stopped to render assistance to a motorist or another emergency responder.

Your Committees have amended this measure by deleting its contents and inserting the provisions of S.B. No. 61, S.D. 1, Regular Session of 2012, a substantially similar measure that additionally protects against double jeopardy since criminal penalties exist for motor vehicular homicide and bodily injury, and further amending the measure by:

- (1) Changing the definition of "emergency vehicle" to mean a police or fire department vehicle, ocean safety vehicle, emergency medical services vehicle, freeway service patrol vehicle, or a tow truck;
- (2) Making the violation of the section a violation, instead of a petty misdemeanor, if no death or injury results, and excepting the violation from the requirement of furnishing proof of financial responsibility; and
- (3) Changing the effective date to upon its approval.

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. 2030, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2030, 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, 9. Noes, none. Excused, 1 (Baker).

SCRep. 2835 (Joint) Economic Development and Technology and Public Safety, Government Operations, and Military Affairs on S.C.R. No. 40

The purpose and intent of this measure is to request that the prompt payment task force:

- (1) Be extended until December 31, 2012;
- (2) Develop recommendations to address issues that affect prompt payment for goods and services purchased through nonprofit organizations, including human service nonprofit organizations that deliver pivotal goods and services to individuals, families, communities, and other small businesses;
- (3) Submit a report of its findings and recommendations to the Legislature no later than December 31, 2012; and
- (4) Upon the request of the Legislature, participate in a joint informational briefing to discuss its report.

Your Committees made available a proposed S.D. 1, which would:

- (1) Rename the prompt payment task force as the purchase of services procurement task force;
- (2) Invite a representative of The Chamber of Commerce of Hawaii to serve as a member of the task force; and
- (3) Request the task force to:
 - (A) Examine procurement issues from the initial contract phase through service delivery, and issues relating to payment when invoices are submitted;
 - (B) Identify areas that can be simplified and standardized between government agencies, the State Procurement Office, and the parties contracted to deliver services; and
 - (C) Develop the scope of a “dashboard” demonstration project that utilizes designated contract areas in the Department of Health, Department of Human Services, and Department of Public Safety to test business process improvements or other approaches to streamline the procurement process, with the goal of clarifying problem areas and solutions for government agencies and the parties contracted to provide services.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Human Services and the Office of Information Management and Technology. Your Committees received comments on the proposed S.D. 1 from the State Procurement Office.

Your Committees find that the prompt payment task force met during the fall of 2011 and has identified a number of areas of concern. The members have determined, however, that further work by the task force is necessary and that clarification of the issues to be addressed will assist the task force in completing its work.

Your Committees further find that the amendments in the proposed S.D. 1, and those offered in testimony before your Committees, address these issues and provide task force members with clearer guidelines as they develop recommendations to the Legislature.

Your Committees have further amended this measure to incorporate recommendations regarding the proposed S.D. 1, by:

- (1) Renaming the task force as the government contracting task force;
- (2) Inviting the State’s Chief Information Officer and a representative of the Department of Accounting and General Services contracting services to serve as members of the task force; 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 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. 40, 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. 40, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 3 (Kidani, Ryan, Solomon).

SCRep. 2836 Commerce and Consumer Protection on H.B. No. 2508

The purpose and intent of this measure is to clarify and strengthen enforcement provisions for exempt out-of-state collection agencies and increase fines for violations by all collection agencies regulated under chapter 443B, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the number of exempt out-of-state collection agencies operating in Hawaii has doubled since 2004, while the number of registered collection agencies has remained relatively stable. Additional regulatory provisions are needed to ensure that Hawaii consumers have certain safeguards when contacted by an exempt agency. This measure allows the Department of Commerce and Consumer Affairs to adequately oversee the growing number of exempt out-of-state collection agencies in a manner that protects Hawaii’s consumers and preserves the reciprocal benefits of exempt out-of-state collection agencies.

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. 2508, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Galuteria).

SCRep. 2837 Transportation and International Affairs on H.B. No. 2154

The purpose and intent of this measure is to temporarily exempt from the special management area minor permit or special management area use permit requirements, airport development that is necessary to comply with Federal Aviation Administration regulations.

Your Committee received testimony in support of this measure from the Department of Transportation, State Office of Planning, Building Industry Association of Hawaii, General Contractors Association of Hawaii, and The Chamber of Commerce of Hawaii. Testimony in opposition to this measure was received from Hawaii's Thousand Friends, Sierra Club, and six individuals.

Your Committee finds that securing special management area minor or use permits can be time consuming and delay projects from going to construction when funding has been obtained and procurement has been completed. The Department of Transportation requires the authority provided by this measure to plan, design, and construct airports, subject to the Hawaii coastal zone management program federal consistency review, without sacrificing special controls on developments within an area along the shoreline. This measure will help the Department of Transportation to complete projects more quickly while ensuring compliance with Federal Aviation Administration regulations concerning requirements such as airfield safety. This measure also assists the Department to receive discretionary grants which are based on timely expenditure performance.

By recommending the temporary exemption pursuant to this measure, your Committee's intent is not to allow or condone permanent loss of valuable coastal and ocean resources.

Your Committee has amended this measure by changing the sunset date to June 30, 2015, to allow the Office of Planning, at the Administration's direction, to complete work on an alternative process to special management area permitting for state projects that will be consistent with the coastal zone management program.

According to testimony, recommendations for alternative processes, in consultation with state agencies, will be completed before the next legislative session. If alternative processes are approved, your Committee requests the Department of Transportation to follow those processes in lieu of the temporary exemption under this measure, assuming those alternative processes protect valuable coastal and ocean resources. Since the alternative processes are hypothetical at this time, reference to such procedures have not been inserted into this measure.

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. 2154, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2154, H.D. 2, S.D. 1, and be referred to the Committee on Water, Land, and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 2838 Transportation and International Affairs on H.B. No. 1743

The purpose and intent of this measure is to increase the maximum gross vehicle weight rating of vehicles that a category (3) licensee may operate to eighteen thousand pounds.

Your Committee received testimony in support of this measure from the City and County of Honolulu, Hawaii Transportation Association, and Penske Truck Leasing.

Your Committee finds that manufacturers of trucks have increased the gross vehicle weight rating of their vehicles due to engine upgrades mandated by the Environmental Protection Agency and heavier duty brakes and suspension to make the vehicles safer and easier to operate. As no noticeable handling or maneuverability differences have been noted as a result of the increased weight rating, your Committee finds that the maximum weight rating for vehicles covered by a category (3) license should be increased accordingly.

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. 1743, 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. 2839 Human Services on H.B. No. 2547

The purpose and intent of this measure is to make an emergency appropriation for the 2011-2012 fiscal year to address the budget shortfall in the general assistance program (HMS 204) of the Department of Human Services.

Your Committee received testimony in support of this measure from the Department of Human Services, Catholic Charities Hawai'i, and the Hawaii Disability Rights Center.

Your Committee finds that the general assistance program (HMS 204) is a block grant program that provides a monthly benefit to disabled individuals. The Department of Human Services must adjust general assistance payments to each recipient based on the total number of recipients, which means that as caseloads and general assistance recipients increase, payments per recipient decrease. For the 2011-2012 fiscal year, the payment level began at \$353 per month, but due to caseload increases was reduced to \$319 per month in October 2011.

Your Committee notes that according to the testimony of the Department of Human Services, based on the latest expenditure figures, the Department will have to further reduce the general assistance payment to \$275 per month beginning in April 2012 to remain within the authorized appropriation. Since these reductions and fluctuations provide little stability to households who already

live below poverty levels, the Department has requested an emergency appropriation for the 2011-2012 fiscal year to maintain the \$319 monthly benefit.

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. 2547, 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 (Green).

SCRep. 2840 (Majority) Commerce and Consumer Protection on H.B. No. 2502

The purpose and intent of this measure is to require every mortgage servicer who provides loan modification services that require licensure as a mortgage loan originator to be licensed as a mortgage loan originator, in addition to being licensed as a mortgage servicer.

Your Committee received testimony in support of this measure from the Division of Financial Institutions of the Department of Commerce and Consumer Affairs.

Your Committee finds that persons acting as mortgage servicers provide a range of services, including some mortgage loan modification services that could be considered mortgage loan originator activities. Your Committee further finds that a mortgage servicer license cannot take the place of a mortgage loan originator's license. This measure requires that anyone who provides mortgage loan origination services be licensed to do so, even if that person is already licensed as a mortgage servicer.

Your Committee notes that the companion to this measure, S.B. No. 2764, S.D. 1, which was previously passed by the Senate, contains language that expands the Commissioner of Financial Institutions' rulemaking authority, requires mortgage servicers to register with the Nationwide Mortgage Licensing System if necessary, and provides the Commissioner with more discretion when imposing fines for violations.

Your Committee additionally finds that the language in S.B. No. 2764, S.D. 1, is preferable because it is more in line with national guidance. Mortgage servicers may eventually be required to register with the Nationwide Mortgage Licensing System. Should that occur, the Commissioner of Financial Institutions must have the authority to work with the Nationwide Mortgage Licensing System and establish a program similar to the recently established program for mortgage loan originators and mortgage loan originator companies. Appropriate rulemaking authority also allows the Commissioner to provide guidance to licensees as they apply for licensure or renewal. Discretion to adjust monetary penalties ensures companies are in compliance with licensing requirements, without the risk that a single fine could put a company out of business.

Accordingly, your Committee has amended this measure by replacing its contents with the contents of S.B. No. 2764, S.D. 1, a substantively similar measure, which:

- (1) Requires every mortgage servicer who provides loan modification services that would require licensure as a mortgage loan originator to be licensed as a mortgage loan originator, in addition to being licensed as a mortgage servicer;
- (2) Allows the Commissioner of Financial Institutions to increase Hawaii's involvement with the Nationwide Mortgage Licensing System, through rulemaking authority and by requiring all mortgage servicers to register with the Nationwide Mortgage Licensing System; and
- (3) Provides the Commissioner of Financial Institutions with greater discretion when imposing fines for violations of chapter 454M, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2502, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2502, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Slom). Excused, 1 (Galuteria).

SCRep. 2841 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on H.B. No. 2608

The purpose and intent of this measure is to require the Director of Transportation to establish a statewide driver's license reciprocity committee to evaluate foreign countries' requests for driver's license reciprocity to ensure the standards of the foreign countries' driver's license testing are equivalent to those of Hawaii.

Your Committees received testimony in support of this measure from the Department of Transportation and City and County of Honolulu Department of Customer Services.

According to the American Association of Motor Vehicle Administrators, individuals and families have become increasingly mobile in recent times and many have chosen to temporarily or permanently reside in a country other than their "home" country. The reasons for these moves are varied, including business transfers and relocations. As a result, individuals often need to obtain a driver's license in their new place of residence even though they are licensed in the previous place of residence. Your Committees find that questions of whether a written and road test are necessary when a licensed driver changes residency to another country need to be addressed.

Your Committees have amended this measure by:

- (1) Changing the effective date to July 1, 2012; and
- (2) Making technical, nonsubstantive amendments for 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 H.B. No. 2608, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2608, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 1 (Baker).

SCRep. 2842 Public Safety, Government Operations, and Military Affairs on H.B. No. 2409

The purpose and intent of this measure is to authorize the Director of Commerce and Consumer Affairs to enforce certain federal laws that protect military members and their families from abusive lending practices.

Your Committee received testimony in support of this measure from the Office of the Deputy Assistant Secretary of Defense, the Office of Consumer Protection, The Chamber of Commerce of Hawaii, and Oahu Veterans Council.

Your Committee believes that service members and their families may be particularly vulnerable to unscrupulous lenders who may charge excessive fees and interest rates, make loans without regard to the borrower's ability to repay, refinance a borrower's loans repeatedly over a short period of time without any gain for the borrower, and who may commit outright fraud or deception. This measure allows the Office of Consumer Protection to enforce certain federal laws that protect military members from predatory and unscrupulous lending practices that appear to target military personnel.

Your Committee has amended this measure by amending references to the Military Sentinel program or data-base to the Military Sentinel Network maintained by the Federal Trade Commission, which is the reference used by the Office of Consumer Protection in testimony.

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. 2409, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2409, 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. 2843 Public Safety, Government Operations, and Military Affairs on H.B. No. 2347

The purpose and intent of this measure is to:

- (1) Authorize a county to covenant with the holders of general obligation bonds additionally secured by a pledge of revenues of the undertaking loan program, or other purpose for which the bonds were issued that the county will continue to impose and collect such revenues in amounts at least sufficient to provide for the payment of the principal and interest on such bonds to the extent authorized or permitted by law;
- (2) Allow a county to reserve the right to issue subsequent general obligation bonds equally and additionally secured by a pledge of such revenues of an undertaking, loan program, or other purpose; and
- (3) Authorize a county to issue general obligation bonds for any purpose authorized by section 47-3, Hawaii Revised Statutes, with certain security requirements that are not derived from the undertaking or loan program for which the bonds were issued, under certain conditions.

Your Committee received testimony in support of this measure from the City and County of Honolulu Department of Budget And Fiscal Services.

Your Committee finds that this measure allows a county to pledge, in addition to real property taxes, certain receipts, including rentals, fees, charges, taxes, and state or federal grants, to secure its general obligation bonds. The authorization for such a pledge would provide greater security for bondholders, thereby possibly lowering borrowing costs and strengthening county bond ratings.

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. 2347, and recommends that 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. 2844 Public Safety, Government Operations, and Military Affairs on H.B. No. 468

The purpose and intent of this measure is to enact standards for the selection of county ethics commissioners to ensure their impartiality and independence.

Your Committee received testimony in support of this measure from the League of Women Voters, Common Cause Hawaii, and two individuals. Comments were received from the Mayor of the City and County of Honolulu.

Your Committee finds that county ethics commissions should be independent and nonpartisan. The members must have the will and the courage to fulfill their duties with impartiality and due diligence. The selection process is critical to ensuring their independence and impartiality.

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 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. 468, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 468, 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. 2845 Public Safety, Government Operations, and Military Affairs on H.B. No. 2769

The purpose and intent of this measure is to amend the definition of “public safety agency” to refer specifically to state and county divisions, rather than divisions of any governmental entity.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, State Fire Council, Honolulu Fire Department, Enhanced 911 Board, Hawaii County Police Department, Maui County Police Department, and Oceanic Time Warner Cable.

Your Committee finds that the definition of “public safety agency” as a division of a “governmental entity” is too broad. Under the existing definition, federally funded agencies may seek disbursements from the enhanced 911 fund, which would minimize the availability of funds for state and county public safety agencies. This measure seeks to limit the access to enhanced 911 fund monies to divisions of the State or county that provide firefighting, law enforcement, ambulance, medical, or other emergency services or private contractors that provide such services for the State or 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 is in accord with the intent and purpose of H.B. No. 2769, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 2846 Public Safety, Government Operations, and Military Affairs on H.B. No. 2410

The purpose and intent of this measure is to require the Governor, on behalf of the State, to enter into a memorandum of understanding with the United States Department of Defense to enhance the State’s relationship with the military and provide continued support for the military’s presence in Hawaii.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii; Military Officers Association of America, Hawaii Chapter; and one individual. Testimony in opposition was received from one individual.

Budget debates and actions being considered by the United States Congress and defense officials in the Pentagon have prompted defense communities to expedite the adoption of measures to protect existing military bases from closure or force realignments that result in decreasing military presence. Your Committee finds that this measure will bolster the defense industry stationed in the islands against increased competition from other defense communities throughout the United States.

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. 2410, 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. 2847 (Joint) Public Safety, Government Operations, and Military Affairs and Human Services on H.B. No. 1765

The purpose and intent of this measure is to allow the conducting of criminal history checks by county liquor commissions on prospective liquor commission employees, and by counties on employees working with vulnerable adults or seniors; employees for fire and emergency medical services; and emergency management employees.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, the Department of Human Resources of the City and County of Honolulu, the Department of Fire and Public Safety of the County of Maui, and the Hawai‘i Civil Rights Commission.

Your Committees find that with the elimination of residency requirements and the current influx of out-of-state individuals applying for civil service jobs in Hawaii, the counties do not have an effective means of conducting a thorough background check, including reviewing prospective employees’ convictions that occurred outside of the State.

Your Committees note the concern of opponents to similar measures that this measure will result in overly broad exceptions to the requirements and limitations imposed on employer inquiries into and consideration of records of conviction under section 378-2.5(b) and (c), Hawaii Revised Statutes. However, your Committees conclude that this measure allows county agencies to conduct criminal history record checks on prospective employees without eroding arrest and court record protections.

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 Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1765, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1765, 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, 6. Noes, none. Excused, 2 (Green, Kidani).

SCRep. 2848 Human Services on H.B. No. 1698

The purpose and intent of this measure is eliminate the requirement for the Department of Human Resources Development to submit annual reports to the Legislature regarding expenditures of qualified community rehabilitation programs and related activities.

Your Committee received testimony in support of this measure from the Department of Human Resources Development.

According to testimony submitted by the Department of Human Resources Development, the amendments made to section 76-77(16), Hawaii Revised Statutes, by Act 213, Session Laws of Hawaii 2008, applies only to the three counties and not to the State. Since the Department of Human Resources Development administers the human resources program for the State, and the county personnel directors are the chief administrators of their respective county human resources programs, information about county expenditures on qualified community rehabilitation programs is not available to the Department. Additionally, since section 76-77(16), Hawaii Revised Statutes, does not permit the state executive branch to contract with qualified community rehabilitation programs, the Department of Human Resources Development does not have anything to report on behalf of the State. This measure therefore eliminates the unnecessary reporting requirement of the Department of Human Resources Development.

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. 1698, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Green).

SCRep. 2849 (Majority) Commerce and Consumer Protection on H.B. No. 2501

The purpose and intent of this measure is to amend the Secure and Fair Enforcement for Mortgage Licensing Act, chapter 454F, Hawaii Revised Statutes, to reflect recent changes in federal law and adjust fees in consideration of new regulatory requirements.

Your Committee received testimony in support of this measure from the Division of Financial Institutions of the Department of Commerce and Consumer Affairs and Hawaii Association of Mortgage Brokers. Your Committee received testimony in opposition to this measure from the Hawaii Credit Union League.

Your Committee finds that this measure adds fees for newly established regulatory services and adjusts fees for initial application and annual license renewals for mortgage loan originators, mortgage loan originator companies, and exempt sponsoring mortgage loan originator companies. The fee structure for mortgage loan originator initial application and license renewal is the result of a compromise between the Division of Financial Institutions and interested parties affected by chapter 454F, Hawaii Revised Statutes.

The Division of Financial Institutions testified that the provisions in this measure that increase the mortgage loan originator initial application and license renewal fees will generate approximately \$66,000.

Your Committee notes that there has been ongoing discussion about the effects this measure may have on sole proprietors who are licensed as a mortgage loan originator company and a mortgage loan originator. Small mortgage loan originating companies in the State may be comprised of sole owners who must pay renewal fees for themselves and their company. This measure establishes a one-time application fee for mortgage loan originators who are sole proprietors and exempts these individuals from annual license renewal fees. However, according to the Division of Financial Institutions, the Nationwide Mortgage Licensing System collects fees for each state based on set parameters for mortgage loan originators, mortgage loan originator companies, branches, and exempt mortgage loan originating companies. The Division indicated that while the Nationwide Mortgage Licensing System is not able to easily program special fees for states to charge for specialized licensees, such as sole proprietors, a fee adjustment could be possible if sole proprietors paid all required fees through the Nationwide Mortgage Licensing System then requested the State to reimburse any fees the Division chose to waive.

If sole proprietors are reimbursed for the cost of the mortgage loan originator initial application and annual license renewal fees, the Division estimates a projected total loss of revenue of \$23,000. Taking into account all adjustments, including reimbursement of fees for sole proprietors, the Division estimates \$43,000 of projected net additional revenue to be collected with the new fee structure.

Your Committee has amended this measure by:

- (1) Requiring the Division of Financial Institutions to reimburse every mortgage loan originator company that consists of a non-exempt single individual who is engaged in the business of a mortgage loan originator as a sole proprietorship for fees paid for the mortgage loan originator initial application and annual license renewal fees;
- (2) Deleting language that would have established a one-time application fee for mortgage loan originators who are sole proprietorships and would have exempted these individuals from annual license renewal fees; 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 H.B. No. 2501, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2501, 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, Green).

SCRep. 2850 Commerce and Consumer Protection on H.B. No. 2644

The purpose and intent of this measure is to require the Public Utilities Commission to implement best practices in the areas of regulatory frameworks, rules and procedures, and information technology and public access and to appropriate funds to carry out these purposes.

Your Committee received testimony in support of this measure from the Public Utilities Commission, Hawaii Farm Bureau Federation, and Blue Planet Foundation.

Your Committee finds that the Public Utilities Commission has been working on updating and implementing internal processes and developing innovative regulatory frameworks. Implementation of best practices at the Public Utilities Commission will increase transparency and efficiency and will ensure that the Commission is in the best position to make informed decisions about the State's future infrastructure.

Your Committee notes that the companion to this measure, S.B. No. 2427, S.D. 2, which was previously passed by the Senate, contains an appropriation from the public utilities commission special fund. In testimony previously heard before your Committee, it was noted that the public utilities commission special fund has generated an average of \$18,000,000 each year over the last five fiscal years, and has lapsed to the general fund approximately \$10,000,000 each year during that same period. Your Committee concludes that the language in S.B. No. 2427, S.D. 2, is preferable because funding for implementing the purposes of this measure should come from the public utilities commission special fund.

Your Committee further finds that S.B. No. 2427, S.D. 1, contained an appropriation of \$100,000. Your Committee respectfully requests your Committee on Ways and Means to consider inserting a sufficient level of funding into this measure, to better assist the Public Utilities Commission in carrying out the broad requirements for best practices required by this measure. Your Committee notes that including an appropriation of \$100,000 will require an increase in the public utilities commission special fund ceiling and will result in a subsequent loss of \$100,000 from the general fund. Your Committee believes that this appropriation is an important expenditure and will have minimal impact on the general fund.

Your Committee additionally finds that H.B. No. 1945, H.D. 2, which was previously heard by the House Committee on Consumer Protection and Commerce, permitted the Public Utilities Commission to provide preferential water carrier service tariffs to ratepayers engaged in agricultural activities. Your Committee notes that in order for Hawaii's farmers and ranchers to remain competitive and self-sustaining, incentives and mechanisms must be implemented to reduce costs and ensure that the State's constitutional mandate to promote diversified agriculture and increase agricultural self-sufficiency is fulfilled. Your Committee also notes that the Public Utilities Commission regulates the tariffs set for public utilities that provide essential services to the agricultural industry, such as interisland shipping. Your Committee concludes that this measure should be amended to include language from H.B. No. 1945, H.D. 2.

Your Committee has amended this measure by:

- (1) Replacing its contents with the contents of S.B. No. 2427, S.D. 2, a substantively similar measure, which:
 - (A) Requires the Public Utilities Commission to integrate and implement utility and regulatory best practices in the areas of regulatory frameworks, rules and procedures, and information technology and public access; and
 - (B) Appropriates funds out of the public utilities commission special fund to implement best practices;
- (2) Amending the reporting provision to require the Public Utilities Commission to include an update on its progress in implementing best practices in its 2012 and 2013 annual reports to the Legislature, rather than requiring a separate annual progress report;
- (3) Inserting language from H.B. No. 1945, H.D. 2, which authorizes the Public Utilities Commission to:
 - (A) Provide preferential water carrier service tariffs for ratepayers that engage in agricultural activities; and
 - (B) Establish a process for applications for preferential water carrier service tariffs;
- (4) Changing the effective date from July 1, 2030, to July 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 H.B. No. 2644, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2644, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5, Ayes with Reservations (Slom). Noes, none. Excused, 2 (Green, Taniguchi).

SCRep. 2851 Commerce and Consumer Protection on H.B. No. 2019

The purpose and intent of this measure is to prohibit deficiency judgments to recover the remaining balance on mortgage loans for certain residential property sold in a foreclosure action or short sale.

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 Hawaii, and two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Bankers Association, Hawaii Financial Services Association, and Hawaii Credit Union League. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, the Hawaii Association of REALTORS, and Anderson Lahne & Fujisaki LLP.

Your Committee finds that this measure is intended to prevent situations where a lender purchases a foreclosed property with a low bid, or agrees to sell a property at a price less than what is owed on the mortgage loan, and then seeks to recover in court the difference in sale price and mortgage owed from the prior homeowner. The difference in sale price and mortgage owed to a creditor is known as a deficiency.

Your Committee further finds that deficiency judgments, or the right to seek a deficiency, may be sold to third parties who purchase the right to collect deficiencies at a deep discount. This often results in abusive debt collection practices by third parties who aggressively attempt to collect on deficiencies, regardless of a former homeowner's ability to pay.

Your Committee also finds that losing a home through foreclosure is devastating to homeowners and their families, and has lasting consequences. Credit scores of consumers who default on their mortgages and lose property through foreclosure fall significantly. A foreclosure stays on a consumer's credit report for seven years and makes obtaining a different mortgage extremely difficult. Your Committee finds that the added imposition of personal liability on a homeowner, with the indefinite threat of garnishing wages or seizing other assets, is not in the best interest of Hawaii consumers.

Your Committee notes that other states have strong anti-deficiency laws designed to protect buyers of residences whose homes subsequently go into foreclosure from liability to the lender in the event the proceeds from a foreclosure sale are not enough to satisfy the outstanding balance of a loan. California's anti-deficiency laws were first enacted during the Great Depression. Existing California law prohibits a secured lender, in certain circumstances, from pursuing a borrower for an unpaid balance when proceeds from a foreclosure sale do not fully pay the outstanding balance owed on the borrower's secured debt. Your Committee concludes that the State's homeowners would benefit if similar anti-deficiency protections were enacted in Hawaii.

Accordingly, your Committee has amended this measure by:

- (1) Requiring a court to find the fair market value of the real property or interest in real property prior to issuing a money judgment following a power of sale foreclosure;
- (2) Prohibiting deficiency judgments from being obtained when a purchase money lender forecloses on real property in certain circumstances;
- (3) Establishing the amount of attorney's fees and other costs a mortgagor may be required to pay in specific circumstances;
- (4) Prohibiting any deficiency judgment when the mortgagee has elected to foreclose under the power of sale contained in the mortgage;
- (5) Clarifying provisions that prohibit a mortgage holder from seeking to recover the remaining balance on a mortgage loan for certain residential property sold in a short sale;
- (6) Clarifying that anti-deficiency protections do not apply if the mortgagor is a corporation, limited liability company, limited partnership, or political subdivision of the State;
- (7) Clarifying that any purported waiver of the anti-deficiency protections contained in this measure is void and against public policy;
- (8) Deleting language that would have added a new section to part I of chapter 667, Hawaii Revised Statutes, prohibiting deficiency judgments on foreclosure actions; and
- (9) Making 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. 2019, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2019, 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 (Slom).

SCRep. 2852 Commerce and Consumer Protection on H.B. No. 2023

The purpose and intent of this measure is to make permanent the assessment and deposit of Center for Nursing fees into the compliance resolution fund and the disbursement of those monies to the Center for Nursing special fund.

Your Committee received testimony in support of this measure from the Board of Nursing; Hawaii State Center for Nursing; University of Hawaii at Manoa School of Nursing and Dental Hygiene; Healthcare Association of Hawaii; Hawaii Medical Service Association; The Queen's Medical Center; American Organization of Nurse Executives, Hawaii Chapter; Hawaii Association of Professional Nurses; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and eight individuals.

Your Committee finds that the Center for Nursing has provided education, service, and research through collaborative leadership since its establishment in 2003. The Center has also become a leader in workforce planning, nursing research, and professional practice in the State.

Your Committee further finds that the fees credited to the Center for Nursing special fund are the main source of funding for the Center for Nursing. Repealing these fees would in essence cause the demise of the Center for Nursing. Your Committee therefore concludes that the fees should be made permanent to allow the Center for Nursing to continue its important mission of addressing nursing workforce issues.

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. 2023, and recommends that 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 (Green, Taniguchi).

SCRep. 2853 Commerce and Consumer Protection on H.B. No. 2162

The purpose and intent of this measure is to implement amendments to article 9 of the Uniform Commercial Code, as set forth by the Commission to Promote Uniform Legislation.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation.

Your Committee finds that this measure provides greater clarity regarding the name of an individual debtor to be provided on a financing statement, improves the filing system for financing statements, and provides greater protection for an existing secured party with a security interest in after-acquired property upon a relocation or merger of its debtor. This measure also allows Hawaii's version of article 9 of the Uniform Commercial Code to be consistent with article 9 as it has been adopted in other jurisdictions. This consistency is necessary to avoid conflicts and confusion with respect to interstate transactions.

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. 2162, 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, 5. Noes, none. Excused, 2 (Green, Taniguchi).

SCRep. 2854 Human Services on H.B. No. 2736

The purpose and intent of this measure is to amend the offense of promoting a controlled substance in, on, or near schools, school vehicles, or public parks to include public housing projects and complexes.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority of the Department of Human Services, Department of Public Safety, the City and County of Honolulu Police Department, the Drug Policy Forum, and one individual.

Your Committee finds that acts of substance abuse and drug trafficking regularly occur in public housing projects and complexes. This measure extends the prohibition of promoting a controlled substance in, on, or near schools, school vehicles, or public parks to include public housing projects and complexes and makes the crime a class C felony or, in the case of manufacturing methamphetamine within a certain distance from a public housing project or complex, a class A felony. These deterrents should significantly improve the ability of the Hawaii Public Housing Authority to ensure secure, livable communities for public housing residents and assist law enforcement in its efforts to curtail illegal drug activity.

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. 2736, 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, 1 (Green).

SCRep. 2855 (Joint) Commerce and Consumer Protection and Judiciary and Labor on H.B. No. 2375

The purpose and intent of this measure is to provide additional protections for Hawaii consumers from persons who prey on homeowners who face property foreclosures, liens, or encumbrances by:

- (1) Establishing the mortgage rescue fraud prevention special fund; and
- (2) Imposing criminal penalties and a mandatory fine for certain violations of the Mortgage Rescue Fraud Prevention Act.

Your Committees received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Hawaii Financial Services Association, Hawaii Credit Union League, and Hawaii Association of REALTORS. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that the Mortgage Rescue Fraud Prevention Act was designed to protect Hawaii consumers from persons who prey on homeowners faced with property foreclosures, liens, or encumbrances. Homeowners who are delinquent on their mortgage loans are vulnerable in desperate financial circumstances and may be victimized by unscrupulous persons purporting to be mortgage foreclosure rescuers. Many of the services promised by unscrupulous mortgage foreclosure rescuers are available for free by housing counselors in Hawaii who have been approved by the federal Department of Housing and Urban Development.

Your Committees further find that the criminal penalties and mandatory fine proposed by this measure will enhance the level of protection provided to this category of consumers, and will ensure that persons holding themselves out as mortgage foreclosure rescuers are held accountable for their actions.

Your Committees have heard the concern that the special fund established by this measure may not be self-sustaining. Your Committees conclude it would be more appropriate for fines collected for violations of certain provisions of chapter 480E, Hawaii Revised Statutes, to be deposited into the existing compliance resolution fund.

Your Committees have amended this measure by:

- (1) Deleting the section that would have established the mortgage rescue fraud prevention special fund;
- (2) Requiring fines for violations of certain provisions of the Mortgage Rescue Fraud Prevention Act to be deposited into the compliance resolution fund, established pursuant to section 26-9(o), Hawaii Revised Statutes;

- (3) Requiring the Office of Consumer Protection to educate consumers about fraudulent activities that may be committed against homeowners who face property foreclosures, liens, or encumbrances, as appropriate; 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 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. 2375, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2375, 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 (Gabbard, Ihara, Nishihara, Solomon).

SCRep. 2856 (Joint) Commerce and Consumer Protection and Judiciary and Labor on S.C.R. No. 53

The purpose and intent of this measure is to request various state agencies to:

- (1) Identify and remove barriers that prevent the State Board of Nursing and the Professional and Vocational Licensing Division from fully implementing recent legislation relating to nursing; and
- (2) Report on efforts to identify and remove barriers that prevent the Hawaii State Center for Nursing from sharing its data.

Your Committees received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Hawaii State Center for Nursing, University of Hawaii at Manoa School of Nursing and Dental Hygiene, Hawaii Association of Professional Nurses, The Queen's Medical Center, American Academy of Nurse Practitioners, Hawaii Long Term Care Association, and eight individuals. Your Committees received comments on this measure from the Legislative Reference Bureau and the Board of Nursing.

Your Committees find that the Hawaii State Center for Nursing provides education, service, and research through collaborative leadership. The Center has become a valuable resource for nursing information and research, including nursing workforce development efforts and the implementation of a nurse residency program. Your Committees further find that the collaboration requested by this measure will bring about cost-effective, innovative solutions that will ultimately benefit Hawaii consumers.

Your Committees have amended this measure by:

- (1) Requesting the State Board of Nursing, the Professional and Vocational Licensing Division, the Department of the Attorney General, and the Hawaii State Center for Nursing to transmit a draft report of the agencies' findings and recommendations, including any proposed legislation, to the Legislative Reference Bureau no later than November 1, 2012;
- (2) Requesting the Legislative Reference Bureau to submit a final report of the agencies' findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013; 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 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, 6. Noes, none. Excused, 5 (Gabbard, Galuteria, Ihara, Nishihara, Solomon).

SCRep. 2857 (Majority) Transportation and International Affairs on H.B. No. 2277

The purpose and intent of this measure is to enhance the public's health and safety, especially that of minors, by establishing regulations for the operation of all-terrain vehicles.

Your Committee received testimony in support of this measure from the Department of Health; Department of Business, Economic Development, and Tourism; State Fire Council; City and County of Honolulu Fire Department; Honolulu Police Department; County of Hawaii Fire Department; County of Hawaii Police Department; County of Maui Fire and Public Safety Department; County of Maui Police Department; ThinkFirst Hawaii; Concerned Families for ATV Safety; Consumer Federation of America; and Event Medics Hawaii. Testimony in opposition was received from the American Motorcyclist Association and Hawaii Motorsport Association.

Your Committee finds that the regulation of all-terrain vehicles is a matter of public safety. According to the United States Consumer Product Safety Commission, an estimated 135,100 all-terrain vehicle-related injuries were treated in hospital emergency rooms nationwide in 2008. In addition, there were 9,633 reported deaths between 1982 and 2008, with fourteen of those deaths occurring in Hawaii. Your Committee believes that the use of all-terrain vehicles is particularly dangerous for minors.

Your Committee has amended this measure by:

- (1) Deleting references to the minimum age requirement for operation of an all-terrain vehicle and the prohibition on operating all-terrain vehicles bearing a certification label conforming to the American national standard in violation of the age recommendation warning label affixed by the manufacturer, as this language would effectively delegate legislative authority to the manufacturer and the measure already contains age restrictions for the operation of all-terrain vehicles;
- (2) Requiring parental consent and the direct supervision of a parent, guardian, or adult for a child less than sixteen years old to operate an all-terrain vehicle;

- (3) Prohibiting the operation of an all-terrain vehicle on any interstate or limited access highway, rather than crossing on the highway;
- (4) Applying the eye protection and approved safety helmet requirement to all-terrain vehicle operators under sixteen years of age;
- (5) Deleting the language that established prohibited acts by sellers of all-terrain vehicles;
- (6) Increasing the maximum fine for a violation from \$50 to \$1,000;
- (7) Changing the effective date to upon approval; 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2277, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2277, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Slom). Excused, 1 (English).

SCRep. 2858 Transportation and International Affairs on H.B. No. 2684

The purpose and intent of this measure is to require the Department of Transportation to conduct a study on the feasibility of extending the zipper lane westward from Waipahu toward Kapolei, west of the Kunia on-ramp.

Your Committee received testimony in support of this measure from the Department of Transportation and three individuals.

Your Committee finds that high occupancy vehicle lanes, such as zipper lanes, provide an incentive to carpool, effectively reducing the number of cars on the road. Your Committee further finds that the zipper lane may be more effective if it extended westward from Waipahu toward Kapolei, west of the Kunia on-ramp, and that a study would yield valuable information regarding the advantages, disadvantages, and practical challenges of implementing such an extension.

Your Committee has amended this measure by changing the effective date to July 1, 2012.

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. 2684, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2684, 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 (English).

SCRep. 2859 Economic Development and Technology on H.B. No. 2319

The purpose and intent of this measure is to:

- (1) Establish a venture accelerator funding program under the Hawaii Strategic Development Corporation to assist the State's technology businesses in renewable energy, broadband, aerospace, film, digital media, and agriculture; and to integrate entrepreneurial support and capital investment to develop technology in Hawaii; and
- (2) Appropriate unspecified funds for fiscal year 2012-2013 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, for the venture accelerator funding program.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Strategic Development Corporation and a member of the Corporation's Board of Directors; High Technology Development Corporation; The Chamber of Commerce of Hawaii; Forest City Hawaii; Hawaii Angels; Hawaii Innovation Alliance; Hawaii Venture Capital Association; Kuku Entertainment; Hyperspective Studios, Inc.; and three individuals.

Your Committee finds that the venture accelerator model was developed specifically to address a systemic gap in innovation funding by providing business expertise to startup ventures that lack the management experience to quickly build a business organization and by providing seed funding to startup companies unable to use grant funds for commercialization, but too small to raise conventional financing.

Your Committee has amended this measure by deleting its contents and replacing them with the language from S.B. No. 2239, S.D. 1, which was previously heard and passed by this Committee.

As amended, this measure:

- (1) Exempts grants made under the community-based economic development program from the Hawaii Public Procurement Code;
- (2) Clarifies that monies in the hydrogen investment capital special fund shall be expended by the Hawaii Strategic Development Corporation; and
- (3) Repeals the High Technology Innovation Corporation.

Your Committee finds that these amendments will provide the Legislature with alternative considerations for economic development as this and related measures continue to move through the legislative process.

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. 2319, H.D. 2, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as H.B. No. 2319, 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 (Slom). Noes, none. Excused, 1 (Solomon).

SCRep. 2860 Water, Land, and Housing on H.B. No. 2819

The purpose and intent of this measure is to require the Hawaii Community Development Authority to determine the costs and benefits of selling and purchasing certain properties within the Kakaako Community Development District and submit a report to the Legislature ninety days after the effective date of the measure.

Your Committee received comments on this measure from the Hawaii Community Development Authority.

Your Committee finds that the Hawaii Community Development Authority (Authority) is able to purchase and hold title to lands subject to availability of funding without any legislative action. However, legislative approval is required prior to any sale of land owned or under the control of the State. Situations within the district have arisen where it may have been profitable or beneficial to the Authority to expedite real property transactions. Thus, your Committee finds it necessary to be informed of the costs and benefits of the selling and purchasing of various properties within the district.

In order to be fully prepared for such situations, your Committee has amended this measure by:

- (1) Amending section 206E-31.5, Hawaii Revised Statutes, to limit the prohibition on the sale or assigning of the fee simple interest of certain lands in the Kakaako Community Development District to the makai lands in the Kakaako Community Development District;
- (2) Excluding makai lands from the properties within the Kakaako Community Development District subject to the Authority's analysis of costs and benefits of sale and purchase;
- (3) Changing the effective date 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. 2819, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2819, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

SCRep. 2861 Water, Land, and Housing on H.B. No. 2871

The purpose and intent of this measure is to establish a West Maui ocean recreation management area advisory committee to advise the Department of Land and Natural Resources on issues relating to state waters within the West Maui ocean recreation management area, particularly within the waters adjacent to Kaanapali.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Ocean Tourism Coalition.

Your Committee finds that the Department of Land and Natural Resources has attempted to form similar advisory committees in the past; however, due to lack of participation, the committees were dissolved. However, the Department is willing to work with the community to reestablish a committee to ensure the safety of ocean waters and participants of nearshore recreational and commercial activities.

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. 2871, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

SCRep. 2862 Commerce and Consumer Protection on Gov. Msg. No. 647.

Recommending that the Senate advise and consent to the nomination of the following:

PUBLIC UTILITIES COMMISSION

G.M. No. 647 LORRAINE AKIBA, for a term to expire 6-30-2018,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Lorraine Akiba to possess the requisite qualifications to be nominated to the Public Utilities Commission.

Your Committee received testimony in support of the nomination of Lorraine Akiba from the Governor; Lieutenant Governor; Director of Budget and Finance; the Chair and a member of the Public Utilities Commission; Hawaiian Telecom; Hawaiian Electric Company, Inc.; Alexander & Baldwin, Inc.; Young Brothers, Limited; GE Energy Financial Services, Inc.; Yamamoto & Settle, LLC; Apollo Energy Corporation; Solar Energy Industries Association; Schlack Ito, LLC; HSI Mechanical, Inc.; Tradewinds Hawaiian Woods LLC; Hawaii Medical Service Association; Bio-Logical Capital; Keahole Solar Power; Hawaii Carpenters Trust Funds; Hawaii PV Coalition; Rockland Capital, LLC; Champlin/GEI Wind Holdings, LLC; Hawaii Renewable Energy Alliance; 'Ohana Health Plan; International Longshore and Warehouse Union, Local 142; Blue Planet Foundation; and twenty-seven individuals.

Upon review of the testimony, your Committee finds that the nominee's extensive professional experience, background in environmental law, commitment to consumer protection and public service, and proven leadership throughout her career qualify her for appointment to the Public Utilities Commission. Your Committee notes that the nominee is currently the head of her law firm's environmental practice group and has acquired substantial experience with independent power producers, developers in mind, solar, and biomass energy generation, and financial and investment entities who specialize in alternative energy company acquisition and investments. Your Committee further finds that the nominee has experience in the public service arena by virtue of her previous position as Director of Labor and Industrial Relations. The nominee has a thorough understanding of complex regulatory issues and is highly qualified to serve as a member of the Public Utilities Commission.

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 (Green, Taniguchi).

SCRep. 2863 (Majority) Commerce and Consumer Protection on H.B. No. 1968

The purpose and intent of this measure is to appropriate funds out of the reduced ignition propensity cigarette program special fund for one full-time administrator, one full-time assistant, and other costs to implement the reduced ignition propensity cigarette program.

Your Committee received testimony in support of this measure from the State Fire Council, Honolulu Fire Department, and County of Maui Department of Fire and Public Safety.

Your Committee finds that this measure is intended to help implement the reduced ignition propensity cigarette program. The purpose of the program is to reduce the number of fires caused by cigarettes. Your Committee further finds that Act 189, Session Laws of Hawaii 2011, established the reduced ignition propensity cigarette program special fund to administer the program, but no appropriation to the special fund was made.

Your Committee notes that since September 30, 2009, approximately \$444,000 has been collected and intended for the State Fire Council to implement, administer, and enforce the reduced ignition propensity cigarette program. Your Committee concludes that amendments to this measure are necessary so that the State Fire Council is able to fully implement the reduced ignition propensity cigarette program, as required by section 132C-4, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Inserting language to appropriate \$400,000 out of the temporary deposits account in the trust fund of the Department of Labor and Industrial Relations to the credit of the reduced ignition propensity cigarette program special fund;
- (2) Inserting an appropriation amount of \$400,000 to be appropriated out of the reduced ignition propensity cigarette program special fund;
- (3) Inserting an effective date of July 1, 2012; 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. 1968, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1968, 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 (Green, Taniguchi).

SCRep. 2864 Public Safety, Government Operations, and Military Affairs on H.B. No. 2226

The purpose and intent of this measure is to establish an automated victim information and notification system to notify victims or members of the community of certain status updates of an offender and to establish the automated victim information and notification special fund to support the system.

Your Committee received testimony in support of this measure from the Department of Public Safety, Department of the Attorney General, Crime Victim Compensation Commission, Hawaii Paroling Authority, Honolulu Prosecuting Attorney, Hawaii County Prosecuting Attorney, Maui County Prosecuting Attorney, Kauai County Prosecuting Attorney, The Sex Abuse Treatment Center, Hawaii State Coalition Against Domestic Violence, and one individual. Comments were received from the Department of Budget and Finance and the Judiciary.

Your Committee finds that chapter 801D, Hawaii Revised Statutes, provides crime victims and witnesses with the right, upon request, to be notified of changes in the custody status of the offender. However, due to a lack of timely notice, numerous crime victims have been unable to exercise their right to speak at the offender's parole hearing and have been further traumatized psychologically and emotionally. Many of these victims have also been in danger of being further victimized when the defendant was paroled or had escaped.

This measure enables the statewide automated victim identification and notification system to become permanent and establishes a special fund as a source of dedicated funding from a percentage of revenue from inmate commissary purchases, as well as inmate phone usage revenues.

Your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 2581, S.D. 2, Regular Session of 2012, a substantially similar measure that differs mainly in the composition of the automated victim information and

notification system governance committee and in the effective date. Additional amendments were made to the definitions of "offender" and "victim", on the recommendation of the Judiciary.

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. 2226, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2226, 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. 2865 Public Safety, Government Operations, and Military Affairs on H.B. No. 1974

The purpose and intent of this measure is to repeal the residency requirements for the burial of members of the United States Armed Forces and their dependents in veterans cemeteries, and to establish criteria consistent with the United States Department of Veterans Affairs' eligibility requirements for burial in a national or state cemetery.

Your Committee received testimony in support of this measure from the State Office of Veterans Services and Oahu Veterans Council.

Your Committee finds that this measure ensures that Hawaii's eligibility requirements for the burial of members of the United States Armed Forces and their dependents comports with the criteria established by the United States Department of Veterans Affairs regarding eligibility for burial in a national or state cemetery.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2012; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency, including amendments to section 363-7, Hawaii Revised Statutes, to make the section temporarily ineffective from July 1, 2012, to June 30, 2015.

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. 1974, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1974, 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. 2866 (Joint/Majority) Education and Transportation and International Affairs on H.B. No. 2626

The purpose and intent of this measure is to:

- (1) Permanently establish the safe routes to school program within the Department of Transportation;
- (2) Establish the safe routes to school special fund;
- (3) Assess a surcharge of \$25 for violations of speeding in a school zone;
- (4) Assess a surcharge of \$10 for other traffic violations; and
- (5) Require that these surcharges be deposited into the safe routes to school special fund.

Your Committees received testimony in support of this measure from the Department of Health; Department of Education; Department of Transportation; State Highway Safety Council; Department of Public Works of the County of Kauai; two members of the Kauai County Council; Hawaii Nutrition and Physical Activity Coalition; Nutrition and Physical Activity Coalition of Kauai County; Landmark Consulting Services; Blue Planet Foundation; Hawaii Public Health Association; Hawaii Bicycling League; Helena Stevenson, a student at Kalaheo High School; Laurie Ching, a student at Hanalani Schools; and twenty-eight individuals. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that thirty-eight schools in the State have safe routes to school programs which have been extremely successful in increasing the number of children walking and biking to school. This measure will create a safe routes to school program within the Department of Transportation and establish the safe routes to schools special fund thereby helping to create a sustainable means of generating revenue for this important program.

As this measure progresses, your Committees ask that clarification be provided on the role and responsibilities of the counties and whether the counties are mandated to participate in the safe routes to schools program established within the Department of Transportation.

Your Committees have amended this measure by:

- (1) Removing references to the federal safe routes to school program, as appropriate, for purposes of clarity and 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 Education 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. 2626, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2626, 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, 5 (Chun Oakland, Dela Cruz, English, Kouchi, Taniguchi).

SCRep. 2867 Education on H.B. No. 2127

The purpose and intent of this measure is to extend the lapse date of the authorization to issue special purpose revenue bonds pursuant to Act 116, Session Laws of Hawaii 2007 (Act 116), to assist Hawaii Preparatory Academy.

Your Committee received testimony in support of this measure from the Hawai'i Preparatory Academy, Hawaii Association of Independent Schools, The Kohala Center, and four individuals.

Your Committee finds that Act 116 authorized the issuance of special purpose revenue bonds to Hawaii Preparatory Academy in a total amount not to exceed \$50,000,000. This measure will extend the lapse date of those special purpose revenue bonds from June 30, 2012, to June 30, 2017, enabling Hawaii Preparatory Academy to continue to make necessary improvements to its two campuses on the island of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2127, and recommends that 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 (Nishihara).

SCRep. 2868 Education on H.B. No. 2248

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Hawaii Pacific University and one or more of its not-for-profit affiliates.

Your Committee received testimony in support of this measure from Hawaii Pacific University and Hawaii Association of Independent Schools.

Your Committee finds that this measure will assist Hawaii Pacific University and one or more of its not-for-profit affiliates in, among other things, financing the costs related to the planning, acquisition, and construction of additional educational facilities and renovation of existing facilities.

Your Committee has amended this measure by adding language to clarify that:

- (1) The Department of Budget and Finance shall comply with federal law to the extent practicable in determining whether to issue special purpose revenue bonds in principal amounts necessary to refund the special purpose revenue bonds authorized for issuance under this measure; and
- (2) Interest on bonds issued under this measure may be excluded from gross income for federal income-tax purposes or included in gross income for federal income-tax purposes.

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. 2248, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2248, 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 (Nishihara).

SCRep. 2869 (Joint) Education and Health on H.B. No. 2273

The purpose and intent of this measure is to require:

- (1) The Department of Education and the Hawaii High School Athletic Association (HHSAA) to develop a concussion educational program for students and student athletes who are fourteen to eighteen years old; and
- (2) An educational program to be developed for every public and private school that is a member of HHSAA on how to develop a school concussion awareness plan.

Your Committees received testimony in support of this measure from the Department of Health; Department of Education; Hawaii Medical Association; Hawaii Medical Service Association; Keiki Injury Prevention Coalition; Hawaii Association of Athletic Trainers; Hawaii Chapter, American Physical Therapy Association; Anuenue School; Hawaii Bicycling League; Chris Mead, a student at Moanalua High School; Anisia Paisley, a student at Kalaheo High School; Christopher Mooney, a student at Punahou School; Scott Fujiwara, a student at Hanalani Schools; Samuel Castro, a student at America Renaissance Academy; Abigail Castro, a student at American Renaissance Academy; Andy Wiers, a student at American Renaissance Academy; Stephanie Hommel, a student at Moanalua High School; Larissa Minicola, a student at Castle High School; Kendrick Leong, a student at Punahou School; Kevynne Fountain, a student at Moanalua High School; Kiana Pigao, a student at Waimea High School; Grace Gradnigo, a student at Moanalua High School; Juenea Dement, a student at Kalaheo High School; and one private individual.

Your Committees find that concussions among student athletes are a serious concern and an increased understanding of the dangers associated with head injuries is an important step toward ensuring that the risk of serious injury is minimized. This measure will promote education on concussions and implement return-to-play guidelines targeted to minimize additional injury that a student athlete may sustain by returning to play while still experiencing symptoms of a concussion.

As this measure progresses through the legislative process, your Committees recommend that further examination be given to clarify the difference between the requirement that the Department of Education and HHSAA develop a concussion educational

program and the requirement that there be an educational program developed for every public and private school that is a member of HHSAA on how to develop a school concussion awareness plan.

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. 2273, 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 (Taniguchi, Wakai).

SCRep. 2870 Education on H.B. No. 2368

The purpose and intent of this measure is to appropriate an unspecified amount to establish a medical residency program at the University of Hawaii at Hilo.

Your Committee received testimony in support of this measure from the Hilo Medical Center Foundation; Hawaii Health Systems Corporation; East Hawaii Region of Hawaii Health Systems Corporation; Hawaii Island Healthcare Alliance; TriWest Healthcare Alliance, Inc.; Sovereign Councils of the Hawaiian Homeland Association; Puna Community Medical Center; and forty-two individuals.

Your Committee finds that this measure would establish a medical residency program at the University of Hawaii at Hilo as part of a larger effort to reduce the impact of physician shortages in Hawaii's rural areas and neighbor islands. The creation of a neighbor island residency program increases the likelihood of graduates of the program continuing to provide services on the neighbor islands and to rural communities. However, your Committee notes that the University of Hawaii at Hilo may not be the appropriate entity in which to place this residency program. As this measure moves forward, your Committee recommends that consideration be given to the possibility of funding a neighbor island residency program:

- (1) From a portion of the physician workforce assessment fee, as provided in S.B. No. 240, S.D. 2, Regular Session of 2011; or
- (2) As a line item in the budget under the Hawaii Health Systems Corporation.

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. 2368, 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, Ayes with Reservations (Taniguchi, Slom). Noes, none. Excused, 1 (Nishihara).

SCRep. 2871 Education on H.B. No. 2513

The purpose and intent of this measure is to provide flexibility to the Department of Education to implement student health programs by repealing:

- (1) Certain operational requirements established in chapter 302A, Hawaii Revised Statutes; and
- (2) The requirement that the Department of Education adopt administrative rules for its student health program.

Your Committee received testimony in support of this measure from the Department of Education, Department of Health, Community Children's Councils, and Special Education Advisory Council. Your Committee received testimony in opposition to this measure from the Hawaii Government Employees Association, HGEA/AFSCME, Local 152, AFL-CIO (HGEA).

Your Committee finds that this measure will give the Department of Education the flexibility necessary to ensure that schools are able to provide health programs and services that reflect the needs of their students and the school community. As this measure progresses, your Committee encourages the Department of Education and Department of Health to consult with the appropriate bargaining units of HGEA.

Your Committee has amended this measure by clarifying that:

- (1) School health aides may assist with the administration of medication to students when administration of medication is based on a nursing assessment and consultation with the Department of Health, rather than solely with the approval of the Department of Health;
- (2) School health aides may assist with the administration of medication to students when medication is necessary for the readiness of the student to learn, rather than necessary for the student to attend school; and
- (3) This measure does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

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. 2513, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2513, 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 (Nishihara).

SCRep. 2872 Human Services on H.B. No. 2533

The purpose and intent of this measure is to ensure that the definition of "aggravated circumstances" in chapter 587A, Hawaii Revised Statutes, is consistent with recent changes to the federal Child Abuse Prevention and Treatment Act and the state plan under Title IV-E of the Social Security Act to include situations in which a parent:

- (1) Has committed sexual abuse against another child of the parent; or
- (2) Is required to register as a sex offender.

Your Committee received testimony in support of this measure from the Department of Human Services and Department of the Attorney General.

Your Committee finds that the Administration for Children and Families has informed the State that recent changes to the Child Abuse Prevention and Treatment Act of 2010 need to be incorporated into chapter 587A, Hawaii Revised Statutes, the Child Protective Act. This measure will ensure that the State is in compliance with the Child Abuse Prevention and Treatment Act so that the Department of Human Services can continue to receive federal Child Abuse Prevention and Treatment Act funding of approximately \$140,000 and Hawaii can remain eligible for approximately \$40,000,000 in annual federal Title IV-E funding.

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. 2533, 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 (Green).

SCRep. 2873 Human Services on H.B. No. 2685

The purpose and intent of this measure is to increase the asset limit for public assistance for households with minor dependents from \$5,000 to \$10,000.

Your Committee received testimony in support of this measure from the Department of Human Services, the Office of Hawaiian Affairs, Hawai'i Alliance for Community-Based Economic Development, Hawai'i Women's Coalition, and PHOCUSED.

Your Committee finds that according to the Hawaii State Asset Building and Financial Education Task Force's final report and recommendations to the Legislature dated January 2010, elimination of asset tests would allow families to save and establish a savings net so that they are able to move out of and remain out of poverty.

Your Committee also finds that according to the testimony of the Department of Human Services, a change in the asset limit for public assistance programs may affect all assistance programs that the Department of Human Services currently administers. This measure would require changes to the information systems used by the Department to determine eligibility and is estimated to cost \$100,000 and take six months or longer to implement.

The Department of Human Services has requested additional time to study the impacts of implementing the change in asset limits proposed by this measure and supports reporting to the Legislature the fiscal consequences of raising the asset limit of public assistance programs. A report will avoid duplication of efforts that will be required by the Patient Protection and Affordable Care Act, which will be implemented in 2014, and ensure that financial and other resources are used in a cost-effective manner.

Your Committee has therefore amended this measure by:

- (1) Deleting the language that amended section 346-29, Hawaii Revised Statutes, to increase the asset limit for households with minor dependents;
- (2) Inserting language to require the Department of Human Services to conduct a study on asset limits for public assistance programs that includes:
 - (A) An evaluation of the current asset limits;
 - (B) Promising practices, policies, and trends; and
 - (C) The potential effects of changing the asset limit on the Supplemental Nutritional Assistance Program, Temporary Assistance for Needy Families program, Temporary Assistance to Other Needy Families program, and Med-QUEST program; and
- (3) Requiring the Department of Human Services to report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

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. 2685, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2685, 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 (Green).

SCRep. 2874 (Joint) Water, Land, and Housing and Transportation and International Affairs on H.B. No. 2613

The purpose and intent of this measure is to exempt work involving submerged lands used for state commercial harbor purposes from any permitting and site plan approval requirements under chapter 183C, Hawaii Revised Statutes, for lands in a conservation district.

Your Committees received testimony in support of this measure from the Department of Transportation. Testimony in opposition was received from the Hawaii Historic Foundation, Hawaii's Thousand Friends, The Outdoor Circle, Office of Hawaiian Affairs, Friends of Lanai, and twenty-five individuals. The Building Industry Association of Hawaii submitted comments.

Your Committees find that environmental protection oversight of state commercial harbors is already sufficiently provided through several authorities including the state environmental impact statements law and permit requirements by the United States Army Corps of Engineers, United States Environmental Protection Agency, and the Clean Water Act. Additional permitting and site plan approval requirements are unnecessary given these existing safeguards. This measure will streamline the process to implement harbor projects to meet the growing needs of the maritime industry.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing 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. 2613, 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, 8. Noes, none. Excused, 4 (English, Fukunaga, Kouchi, Tokuda).

SCRep. 2875 (Joint) Education and Agriculture on H.B. No. 2100

The purpose and intent of this measure is to support agricultural production by appropriating general fund monies to the University of Hawaii for bee hive research.

Your Committees received testimony in support of this measure from the Department of Agriculture, University of Hawai'i System, Hawaii Farm Bureau Federation, and one individual.

Your Committees find that the small hive beetle has become a major pest of honey bee hives on the Island of Hawaii, resulting in significant bee hive loss. Loss of bee hives is a threat to the agricultural economy on all islands because bees are necessary to pollinate many crops. This measure will provide the University of Hawaii System with necessary funds to research bee hives statewide in hopes of deterring further damage.

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. 2100, H.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Dela Cruz, Kouchi, Taniguchi, Wakai, Slom).

SCRep. 2876 Education on H.B. No. 2007

The purpose and intent of this measure is to:

- (1) Require the Department of Education to devise up to four standard bell schedules for elementary, middle, and high schools and require individual schools to implement one of the available schedules beginning no later than the 2014-2015 school year;
- (2) Clarify the definition of "student instructional hours"; and
- (3) Repeal the requirement that for the 2016-2018 school years, all public schools except charter schools and multi-track public schools implement a school year of 180 days that include 1,080 student instructional hours.

Your Committee received testimony in support of this measure from the Department of Education; Hui for Excellence in Education; IMUAlliance; Scholastic Scheduling Solutions; Keagan Sakai-Kawada, a student at Waiakea High School; Kaelyn Okuhata, a student at King Kekaulike High School; Marikka Zavas, a student at Kalaheo High School; and Melia Steele, a student at Moanalua High School. Your Committee received testimony in opposition to this measure from the Hawai'i Educational Policy Center; Hawaii State Teachers Association; Zachary Fielding, a student at Moanalua High School; Gabrielle Mason, a student at American Renaissance Academy; Jannah Lyn Dela Cruz, a student at Moanalua High; Hunter Bruno, a student at American Renaissance Academy; Jessel Dela Cruz, a student at Moanalua High School; Kelly Ruan, a student at Moanalua High School; and two individuals.

Your Committee finds that there are a number of individual bell schedules that schools have developed and implemented, and while this empowers decision making at the school community level, it has made establishing a base level of instructional time for all students difficult. This measure will allow for equitable instructional time across all schools while providing each school with a certain amount of flexibility and continuing the discussion of how to best quantify instructional time and increase student access to opportunities where learning takes place.

Your Committee further finds that this measure also clarifies what constitutes instructional time for students and recognizes that not all learning takes place in a classroom setting alone.

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. 2007, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 2877 (Joint) Education and Judiciary and Labor on H.B. No. 2527

The purpose and intent of this measure is to:

- (1) Require the Department of Education to establish a performance management program that includes an evaluation component for teachers and educational officers;
- (2) Condition the granting of annual increments, longevity step increases, and other incentives for teachers and educational officers upon service with a rating of "effective" or "highly effective" on an annual evaluation; and

- (3) Require teachers entering the service of the Department of Education for the first time to serve a minimum probationary period of three years.

Your Committees received testimony in support of this measure from the Governor, Department of Education, University of Hawai'i System, National Governors Association, Hawaii Business Roundtable, The Chamber of Commerce of Hawaii, Hawai'i Educational Policy Center, Hui for Excellence in Education, IMUAlliance, Harold K.L. Castle Foundation, and two individuals. Your Committees received testimony in opposition to this measure from the Hawaii State Teachers Association and two individuals. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that Hawaii's Race to the Top plan establishes clear principles, policy actions, and timetables for changes in polices, practices, and outcomes in areas critical to transforming Hawaii's public education system. At the time the Race to the Top plan was formulated, it received wide support from government, education, and community leaders, as well as from other education stakeholders.

Your Committees further find that ensuring educator effectiveness requires a comprehensive approach that sets forth clear expectations for students, aligned systems of support for educators, flexibility for innovation, and a performance-based management system for educational officers, principals, and teachers. In addition to the Race to the Top plan, measurements and supports to ensure educator effectiveness have been included in all versions of the reauthorization of the federal Elementary and Secondary Education Act and are likely to become core requirements for many federal title funds.

As this measure progresses through the legislative process, your Committees encourage closer examination of the probationary period or tenure requirements for school principals. As school principals will be active participants in the teacher evaluation process established by this measure, the effectiveness of school principals warrants further discussion.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2527, H.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Gabbard, Ihara, Taniguchi).

SCRep. 2878 Judiciary and Labor on H.B. No. 2439

The purpose and intent of this measure is to make clarifying amendments to the laws governing the Hawaii employer-union health benefits trust fund. Specifically, this measure:

- (1) Aligns the definition of the term "credited service" in section 87A-1, Hawaii Revised Statutes, with the use of the term "service" under the pension and retirement laws; and
- (2) Clarifies the definition of "employee" and "part-time, temporary, and seasonal or casual employee" in section 87A-1, Hawaii Revised Statutes, to comport with existing public employee health benefits laws by clarifying that:
 - (A) An employee does not include a per diem employee; and
 - (B) A part-time, temporary, and seasonal or casual employee is a person that is employed for fewer than three months or whose employment is less than one-half of a full-time equivalent position; not necessarily both.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that certain terminology relating to the Hawaii public employees health fund, the predecessor of the Hawaii employer-union health benefits trust fund, remains in law and neither comports with existing public employee health benefits laws nor reflects the Legislature's intent to grant health fund benefits to public sector employees based on status as an employee or service credits. As such, this measure makes clarifying amendments to and updates the laws governing the Hawaii employer-union health benefits trust fund.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2439, 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 (Ihara).

SCRep. 2879 Judiciary and Labor on H.B. No. 2491

The purpose and intent of this measure is to authorize the Hawaii employer-union health benefits trust fund to create a trust fund for the purpose of receiving employer contributions that will prefund post-employment health and other benefit plan costs for retirees and their beneficiaries.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, Hawaii Employer-Union Health Benefits Trust Fund and Chairperson of the Kauai County Council.

Your Committee finds that an audit of the Hawaii employer-union health benefits trust fund concluded that the trust fund does not have a separate trust fund that meets the requirements of the Government Accounting Standards Board regarding other post-employment benefits trusts. Specifically, an other post-employment benefits trust must have the specific criteria of irrevocability of contributions, dedication of plan assets to paying benefits in accordance with the plan, and legal protection of the plan assets from creditors. Currently, several counties have made pre-funded contributions toward other post-employment benefits, but are unable to receive credit for the contributions because of the lack of an established trust fund that meets the Government Accounting Standards

Board requirements for other post-employment benefits plans. As such, this measure is intended to provide the means through which these types of contributions may be made and properly accounted for.

As affirmed by the record of votes of the members 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. 2491, 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 (Ihara).

SCRep. 2880 Judiciary and Labor on H.B. No. 2179

The purpose and intent of this measure is to create a uniform policy regarding salaries of all heads of legislative agencies by applying the salary diminishment provisions to the Auditor.

Your Committee did not receive any submitted testimony for this measure.

Your Committee finds that while all salaried state officers are subject to salary cuts as provided by general law, the Auditor is statutorily exempt from these provisions. This measure creates parity with the salary diminishment provisions applied to the heads of the other legislative agencies.

As affirmed by the record of votes of the members 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. 2179, and recommends that 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. 2881 Judiciary and Labor on H.B. No. 2578

The purpose and intent of this measure is to improve the efficiency of government by eliminating the Advisory Council for Community Services.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations and the Office of Community Services of the Department of Labor and Industrial Relations.

Your Committee finds that the Office of Community Services provides oversight over the Advisory Council for Community Services. The Advisory Council no longer serves the programmatic focus of the Office of Community Services and has been defunct for nearly a decade with no members appointed to serve on the Council. Thus, this measure eliminates the Council and streamlines government by eliminating unnecessary bureaucracy.

As affirmed by the record of votes of the members 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. 2578, 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 (Ihara).

SCRep. 2882 (Majority) Judiciary and Labor on H.B. No. 2655

The purpose and intent of this measure is to:

- (1) Authorize the Department of Labor and Industrial Relations to establish and operate a training program to augment and expand the reach of the workforce investment activities administered by the Department pursuant to the federal Workforce Investment Act of 1998;
- (2) Appropriate an unspecified amount for the establishment of the training program; and
- (3) Authorize the Department to use monies in the employment and training fund from July 1, 2012, to June 30, 2013, to cover costs associated with administering, managing, reporting, and overseeing the programs funded under the federal Workforce Investment Act for which insufficient funds were allocated.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations and the International Longshore and Warehouse Union Local 142.

Your Committee finds that workforce development activities of the Department of Labor and Industrial Relations are under serious fiscal constraints due to restrictions arising out of recent federal budget decisions. This measure establishes a training program to expand workforce investment activities administered by the Department and pursuant to the federal Workforce Investment Act of 1998. The target population of this training program includes the unemployed and underemployed, veterans, persons with disabilities, non-native English speakers, homeless persons, and persons recently released from incarceration.

Your Committee further finds that the Department of Labor and Industrial Relations indicates that the fiscal constraints for administrative costs are severe and erode the Department's ability to administer federal funds being received for the workforce training program. This measure enables the Department to carry out its required functions to oversee, manage, report, and draw down cash to maintain workforce development programs in the counties.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2655, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2883 Judiciary and Labor on H.B. No. 1755

The purpose and intent of this measure is to establish a convenient means for individuals to register to vote and thereby increase voter participation. Among other things, this measure:

- (1) Authorizes the county clerk to accept electronic voter registration applications;
- (2) Makes an unspecified appropriation for fiscal year 2012-2013 for the planning and design of an online voter registration system;
- (3) Repeals the provision that requires the list postings of all registered voters in each precinct at polling places, due to confidentiality concerns; and
- (4) Makes several housekeeping amendments to update the voter registration laws to conform to online voter registration, and remove references to obsolete processes and technologies.

Your Committee received testimony in support of this measure from the Office of Elections, the Office of the County Clerk of the County of Kauai, the Office of the County Clerk of the County of Maui, the Office of the City Clerk of the City and County of Honolulu, Americans for Democratic Action/Hawaii, the League of Women Voters of Hawaii, the American Civil Liberties Union of Hawaii; Common Cause Hawaii, and four private individuals.

Your Committee finds that Hawaii's voter turnout has consistently been at or near the bottom of voter turnout across the nation. This measure establishes a convenient method for individuals to register to vote in order to expedite the voter registration process for registrants and election officials. Additionally, an online voter registration system will modernize registration methods, and encourage more eligible voters to register and participate in voting.

Your Committee notes that the appropriation in this measure is for planning and design of an online voter registration system. Additional funding may be necessary in the future to facilitate the implementation of the online system. As such, your Committee believes that the dialogue regarding any necessary additional funds should be continued by the Committee on Ways and Means.

Your Committee has amended this measure by adopting the suggestions made by the Office of Elections to change the effective date to November 8, 2016, with an effective date of July 1, 2012, for the unspecified appropriation for the planning and designing of an online voter registration system.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1755, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1755, 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 (Ihara). Noes, none. Excused, none.

SCRep. 2884 Judiciary and Labor on H.B. No. 1892

The purpose and intent of this measure is to ensure that the Reapportionment Commission has adequate funding to effectively carry out its mission by:

- (1) Placing the commission within the Office of Elections for administrative purposes; and
- (2) Directing the Chief Election Officer to request a general fund appropriation that is separate from the Office of Elections' operating budget to support the commission when the commission is constituted.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii.

Your Committee finds that the Reapportionment Commission serves as an important government resource, as it prepares the voting district boundaries. Sufficient funding will provide the resources necessary to ensure that boundary lines are drawn in an accurate and timely manner.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to ensure 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. 1892, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1892, 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. 2885 Judiciary and Labor on H.B. No. 2574

The purpose and intent of this measure is to authorize:

- (1) The Labor and Industrial Relations Appeals Board to send a written notice of an agency hearing pursuant to chapter 91, Hawaii Revised Statutes, by first class mail rather than registered or certified mail with return receipt; and
- (2) The appeals board to give notice of an agency hearing by publication at least once in each of two successive weeks in a newspaper of general circulation if the appeals board or its agents are unable to ascertain the address of a party after a reasonable and diligent inquiry.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, the Labor and Industrial Relations Appeals Board, the Laborers' International Union of North America Local 368, and three private individuals.

Your Committee finds that existing law requires notices of agency hearings to be sent to all parties by registered or certified mail with a return receipt at least fifteen days before the hearing. The Department of Labor and Industrial Relations indicated to your Committee that budget shortfalls have required the State to reevaluate the way it does business and improve its fiscal resources. This measure enhances the operational capacity of the Labor and Industrial Relations Appeals Board by permitting the appeals board to apply the savings from switching to first class mail to other areas of its operations, such as rebuilding the workers' compensation system, and increase its overall efficiency.

Your Committee has amended this measure by changing the effective date from January 7, 2059, 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. 2574, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2574, 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. 2886 Judiciary and Labor on H.B. No. 1754

The purpose and intent of this measure is to allow the mailing of absentee ballots to all registered voters residing in population areas of fewer than five hundred voters in lieu of operating polling places for voters in those areas.

Your Committee received testimony in support of this measure from the Office of Elections, Office of the County Clerk of the County of Kauai, and Office of the County Clerk of the County of Maui.

Your Committee finds that in a normal reapportionment year, attempts are made to line up boundaries to avoid areas being unnecessarily divided on the basis of county council, state representative, state senator, and congressional district lines, and to avoid small population pockets that require the development of their own unique ballot types. A ballot type contains the specific contest, questions, or issues that voters who reside in that specific area are entitled to vote on.

However, due to the invalidation of the 2011 legislative reapportionment plan, the Reapportionment Commission has a limited amount of time to redraft the plan. As such, the boundary lines may not line up with each other so as to avoid small population pockets. Given the small number of voters in each of these potential population pockets and the financial resources and personnel required to establish and operate a polling place for these populations, this measure allows the county clerk to mail an absentee ballot to each registered voter who resides in a population pocket of fewer than five hundred voters in lieu of operating a polling place for voters in those areas.

Your Committee has amended this measure by:

- (1) Changing the effective date from January 7, 2059, 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1754, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1754, 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. 2887 Judiciary and Labor on H.B. No. 2573

The purpose and intent of this measure is to amend the state apprenticeship law to conform to new federal regulations on apprenticeship programs.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; the Associated Builders and Contractors, Inc.; and the Pacific Resource Partnership.

Your Committee finds that the Office of Apprenticeship of the United States Department of Labor requires all state apprenticeship programs to revise its state laws and rules pursuant to title 29 Code of Federal Regulations part 29. The new federal regulations recognize that technological advances, demographic changes, and globalization have significantly altered the context in which apprenticeship programs operate. The new federal regulations contain new concepts, such as competency-based training and provisional approvals of new apprenticeship programs.

Your Committee further finds that the Department of Labor and Industrial Relations is seeking renewal of its federal recognition as a State Apprenticeship Agency to administer apprenticeship programs in the State. A prerequisite for renewal is conforming state laws to the new federal regulations. The Department has until December 31, 2012, to obtain the appropriate amendments to the apprenticeship state laws for federal recognition. Thus, this measure conforms the State's apprenticeship laws under chapter 372, Hawaii Revised Statutes, to the new federal regulations to maintain the State's federal recognition as a State Apprenticeship Agency.

As affirmed by the record of votes of the members 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. 2573, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 2888 Judiciary and Labor on H.B. No. 2576

The purpose and intent of this measure is to maintain uniformity in existing rate determination procedures for processing appeals by requiring an employer to file a notice of appeal of an unemployment insurance rate contribution determination with the Employment Security Appeals Referees' Office rather than directly to the circuit court.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations.

Your Committee finds that existing law requires employers to file an application for review and redetermination within fifteen days after the mailing of a contribution rate notice. If the Department of Labor and Industrial Relations grants a review, a hearing is held and the Department's redetermination is final unless proceedings are commenced in circuit court. However, existing law does not identify the Employment Security Appeals Referees' Office as the agency responsible for allowing or denying the review or conducting the hearing. This measure clarifies that an employer's contribution rate notices are required to be filed with the Employment Security Appeals Referees' Office, ensuring that responsibilities are clearly defined and delineated and increasing the efficiency with which rate notice challenges are handled.

As affirmed by the record of votes of the members 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. 2576, H.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 2889 Human Services on H.B. No. 2539

The purpose and intent of this measure is to:

- (1) Require persons exempt from part VIII of chapter 346, Hawaii Revised Statutes, pursuant to section 346-152, Hawaii Revised Statutes, to agree to an adult abuse perpetrator check in order to be eligible to provide child care and to receive a child care subsidy from the Department of Human Services ("Department");
- (2) Require the Department to develop standards, including the use of adult abuse perpetrator checks, to ensure the reputable and responsible character of an applicant to operate child care facilities, prospective employees of the applicant, and new employees of the provider;
- (3) Require applicants to operate a child care facility and providers of care in a child care facility to submit statements to the Department indicating any previous abuse or neglect of a vulnerable adult by the applicant or provider or any prospective employee thereof; and
- (4) Authorize the Department to deny license or registration applications, request providers to terminate employment of new employees, or revoke a license or registration upon finding that the applicant or provider or any prospective employee thereof is confirmed to have abused or neglected a vulnerable adult.

Your Committee received testimony in support of this measure from the Department of Human Services and Hawaii Association for the Education of Young Children.

Your Committee finds that the Department is responsible for ensuring the health and safety of children in regulated settings, such as licensed child care centers, and for child care providers who care for children and receive child care subsidies from the Department. This measure will allow the Department to conduct a more thorough review of individuals who are working directly with children in licensed and legally exempt settings by identifying individuals who have a history of maltreatment of vulnerable individuals, including children and adults.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2539, 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, 1 (Green).

SCRep. 2890 (Majority) Human Services on H.B. No. 2540

The purpose and intent of this measure is to:

- (1) Allow the Department of Human Services to charge reasonable fees to applicants seeking a child care license or certificate of registration for the operation of group child care homes or group child care centers; and
- (2) Establish the child care licensing and registration special fund into which these fees will be deposited.

Your Committee received testimony in support of this measure from the Department of Human Services.

Your Committee finds that the Department of Human Services, as the licensing authority of group child care homes and group child care centers, absorbs administrative costs that are associated with licensing and certification activities, including site visits, observation of providers with children, inspections to ensure compliance with administrative rules to ensure the health and safety of the child care operations, and the assessment of the findings.

Your Committee has amended this measure by inserting language that adds the concept of furthering the provision of quality child care services as an additional purpose for which monies in the child care licensing and registration special fund may be used.

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. 2540, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2540, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Green).

SCRep. 2891 Human Services on H.B. No. 2290

The purpose and intent of this measure is to authorize public events celebrating Children and Youth Day and the Children and Youth Summit to be held on State Capitol grounds on the first Sunday in October, unless otherwise determined by the Governor.

Your Committee received testimony in support of this measure from the Hawaii Youth Services Network.

Your Committee finds that public events relating to Children and Youth Day and Month attract more than thirty thousand participants each year. Holding Children and Youth Day and Month events, such as Children and Youth Day and the Children and Youth Summit on State Capitol grounds, encourages, supports, and promotes educating and strengthening families, involving citizens in public policy development, promoting access to the legislative process, and informing legislators of the issues and challenges facing Hawaii's children and youth.

Your Committee notes that this measure, as currently drafted, allows public events celebrating Children and Youth Day and the Children and Youth Summit to be held on the grounds of the State Capitol on the first Sunday of October. However, public events celebrating the Children and Youth Summit may not necessarily be held on only the first Sunday of October, but throughout the month of October.

Your Committee has therefore amended this measure by:

- (1) Directing public events such as the Children and Youth Summit to be held on State Capitol grounds in the month of October under certain conditions;
- (2) Giving the Children and Youth Day Planning Committee the discretion to determine, unless otherwise determined by the Governor, which public events celebrating Children and Youth Day and Month shall be held on State Capitol grounds; and
- (3) Changing the effective date to upon approval.

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. 2290, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2290, 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 (Green).

SCRep. 2892 (Joint) Education and Agriculture on H.B. No. 2093

The purpose and intent of this measure is to support agricultural education in the State by:

- (1) Requiring the University of Hawaii to establish a Center for Agricultural Leadership within the College of Agriculture, Forestry, and Natural Resource Management of the University of Hawaii at Hilo;
- (2) Requiring the University of Hawaii to establish a two-year pilot project at one high school in each county to determine the steps necessary for the operation of school farms, including food safety certification requirements of the Department of Agriculture; and
- (3) Appropriating funds to the University of Hawaii to implement the purposes of this measure.

Your Committees received testimony in support of this measure from the Department of Agriculture; Department of Education; College of Agriculture, Forestry, and Natural Resource Management at the University of Hawai'i at Hilo; Hawaii Association of Independent Schools; Ma'o Community Food Systems Initiative; Hawai'i Island School Garden Network; and four individuals. Your Committees received testimony in opposition to this measure from the Hawaii Farm Bureau Federation. Your Committees received comments on this measure from the University of Hawai'i System.

Your Committees find that supporting agriculture in the educational system is an important step in promoting economically competitive activities that increase Hawaii's agricultural self-sufficiency. However, your Committees believe that it is prudent that the University of Hawaii have the opportunity to determine the feasibility of establishing a Center for Agricultural Leadership before the Legislature mandates it to do so.

Your Committees have amended this measure by:

- (1) Removing language requiring the University of Hawaii to establish a Center for Agricultural Leadership and create a director position within the Center;
- (2) Adding language to require the University of Hawaii to examine the feasibility of establishing a Center for Agriculture Leadership and report back to the Legislature with its findings, including any funding requirements, prior to the convening of the Regular Session of 2013;
- (3) Removing language establishing the school farm pilot project; and
- (4) Removing all other references to school farms for 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. 2093, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2093, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Taniguchi, Wakai, Slom).

SCRep. 2893 (Joint) Education and Public Safety, Government Operations, and Military Affairs on H.B. No. 2639

The purpose and intent of this measure is to:

- (1) Require the University of Hawaii college-credit equivalency program to award academic credits for professional experience gained in the United States Armed Forces; and
- (2) Require the University of Hawaii to develop an associated learning assessment to determine college-level learning gained during such experience.

Your Committees received testimony in support of this measure from the University of Hawai'i Community Colleges, Department of Defense State Liaison Office, Oahu Veterans Center, and one individual.

Your Committees find that members of the United States Armed Forces gain professional experience that may translate to educational experience learned in an academic setting. This measure will require the University of Hawaii System to develop a method to award college credit for certain professional experiences gained in the United States Armed Forces. Your Committees further find that this measure will help transitioning service members earn college credit so they can more quickly enter the work force.

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. 2639, 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, 8. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2894 Health on H.B. No. 1723

The purpose and intent of this measure is to extend the general excise tax exclusion for amounts received by a managed care support contractor of the TRICARE program for the actual cost or advancement to third party health care providers.

Your Committee received testimony in support of this measure from the Department of Taxation; Military Officers Association of America, Hawaii Chapter; Oahu Veterans Council; TriWest; and HMSA. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure facilitates the provision of coverage to the approximately 163,000 current and former military personnel and the families of such personnel who reside in Hawaii by preventing significant increases in the cost of health care services delivered through the TRICARE program.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1723, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Wakai, Slom).

SCRep. 2895 Health on H.B. No. 2564

The purpose and intent of this measure is to add pharmacists to the list of volunteer medical assistance personnel and volunteer emergency medical disaster response personnel who shall be provided immunity from liability while providing volunteer medical assistance or emergency response services.

Your Committee received testimony in support of this measure from the Department of Health, The Queen's Health Systems, and one individual.

Your Committee finds that the lack of coverage for professional liability may result in valuable medical personnel not participating as state volunteers, thereby limiting the ability of the State to draw upon the skills of such individuals as a critical public health resource in emergency and non-emergency situations.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2564, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2564, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Wakai, Slom).

SCRep. 2896 Health on H.B. No. 609

The purpose and intent of this measure is to authorize the Hawaii Health Systems Corporation to bring the Hawaii Medical Center-East facility under its governance through formal affiliation or acquisition.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation.

Your Committee finds that by establishing a public-private partnership between the owners of the facility previously known as the Hawaii Medical Center-East and the Hawaii Health Systems Corporation, this measure provides crucial long-term care and other health care services in the State.

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. 609, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 609, 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 (Wakai, Slom).

SCRep. 2897 Health on H.B. No. 1953

The purpose and intent of this measure is to appropriate funds:

- (1) To increase the on-call availability of emergency medical services and ambulance services on the Leeward Coast of Oahu; and
- (2) As a grant to Wahiawa General Hospital to provide additional emergency room services.

Your Committee received testimony in support of this measure from the Department of Health, Healthcare Association of Hawaii, United Public Workers, and American Medical Response.

Your Committee finds that the closure of the Hawaii Medical Center facilities has negatively impacted the State's ability to provide emergency medical services on the Leeward Coast of Oahu. The City and County of Honolulu Emergency Medical Services Division must respond to emergency medical calls on the Leeward Coast and transport patients to emergency rooms elsewhere. Furthermore, the remaining emergency rooms on Oahu have faced significantly increased use as well. Your Committee consequently finds that appropriations to expand emergency medical services are in the interest of the State.

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. 1953, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1953, 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 (Wakai, Slom).

SCRep. 2898 Health on H.B. No. 2553

The purpose and intent of this measure is to require the Disability and Communication Access Board to charge fees for review, similar to other fees that are charged for permits, as part of the design and construction process.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Disability and Communication Access Board, Policy Advisory Board for Elder Affairs, Next Design, and three individuals. Your Committee received testimony in opposition to this measure from the Department of Design and Construction, City and County of Honolulu; Alan Shintani, Inc.; and the Building Industry Association of Hawaii.

Your Committee finds that the fee schedule established by this measure is excessively high. The intent of the Disability and Communication Access Board is not to generate a profit, but rather to cover the expenses of the Facility Access Unit.

Your Committee has amended this measure accordingly by:

- (1) Changing the review fee to four-tenths of one percent for the first \$500,000 of the estimated construction cost plus two-tenths of one percent of the estimated construction costs greater than \$500,000 up to and including \$2,000,000 plus two one-hundredths of one percent of the estimated construction costs over \$2,000,000;
- (2) Deleting the language that set a maximum review fee of \$20,000 for plans and specifications subject to accessibility requirements under section 103-50, Hawaii Revised Statutes;
- (3) Amending the definition of "infrastructure" to specify that projects with significant work to accessible elements and spaces, not necessarily publicly accessible elements and spaces, shall not constitute infrastructure projects;
- (4) Changing the effective date to January 1, 2013, and deleting the repeal date; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2553, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2553, 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 (Wakai, Slom).

SCRep. 2899 Health on H.B. No. 1967

The purpose and intent of this measure is to make the medical claim conciliation process less adversarial by emphasizing inquiry, conciliation, and settlement and renaming the medical claim conciliation panels as medical inquiry and conciliation panels.

Your Committee received testimony in support of this measure from the Hawaii Medical Association, Hawaii Association for Justice, and one individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the shortage of physicians in Hawaii is caused in part by the high malpractice insurance costs and an unfriendly liability system. This measure is an effort to address the problems with the current medical claim conciliation panels and reduce Hawaii's medical liability costs to improve the availability of care for Hawaii's residents.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 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. 1967, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1967, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Wakai, Slom).

SCRep. 2900 Health on H.B. No. 1964

The purpose and intent of this measure is to limit the out-of-pocket costs for cancer treatments under health insurance plans.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, Hawaii Medical Association, American Cancer Society, HMSA, and Kaiser Permanente Hawaii. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that cancer treatments pose a significant financial burden. The American Cancer Society estimates that one in five cancer patients may use up all or most of the individual's life savings in paying for treatment. Furthermore, patients are sometimes forced to make treatment choices based on cost, rather than efficacy. Your Committee consequently finds that efforts to limit the financial toll on patients seeking treatment for cancer are in the interest of the State and its 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 H.B. No. 1964, H.D. 2, 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, 2 (Wakai, Slom).

SCRep. 2901 Health on H.B. No. 1957

The purpose and intent of this measure is to clarify that persons and entities governed by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), who use or disclose individually identifiable health information in a manner that is consistent with HIPAA regulations, shall be deemed to be in compliance with Hawaii's privacy laws and rules.

Your Committee received testimony in support of this measure from the Office of the Governor; Department of Health; AlohaCare; Healthcare Association of Hawaii; Hawaii Medical Association; Hawaii Health Information Exchange; Hawaii Chapter, American Physical Therapy Association; HMSA; Hawaii Association of Health Plans; Hawaii Health Information Corporation; and Kaiser Permanente Hawaii.

Your Committee finds that there are approximately fifty statutory references to privacy, which are difficult for providers of care to understand and use. As HIPAA is considered to be the standard in the area of health care privacy, hinging compliance with state laws upon compliance with HIPAA will ensure that appropriate privacy protections are retained while facilitating the exchange of clinical information by providers through the Hawaii Health Information Exchange, thereby improving the quality of care for patients.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 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. 1957, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1957, 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 (Wakai, Slom).

SCRep. 2902 (Joint) Public Safety, Government Operations, and Military Affairs and Education and Economic Development and Technology on H.B. No. 2873

The purpose and intent of this measure is to:

- (1) Transfer the Pacific International Space Center for Exploration Systems from the University of Hawaii to the Department of Business, Economic Development, and Tourism; and

- (2) Authorize the issuance of general obligation bonds and appropriate funds to construct the Pacific International Space Center for Exploration Systems Aerospace Research Technology Park project.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawai'i Hilo; The Chamber of Commerce of Hawaii; Pacific International Center for Exploration Systems; County of Hawaii Department of Research and Development; Ferraro Choi FAIA, LEED AP; Kelso Aerospace Consulting; W. H. Shipman, Limited; The South African Space Resources Association; and one individual.

Your Committees find that the Pacific International Space Center for Exploration Systems, including its proposed Aerospace Research Technology Park project, is an economic driver for the Island of Hawaii that promotes the establishment and growth of new sustainable and green industries, associated jobs, workforce development, internships, and science, technology, engineering, and math programs. Your Committees further find that the Aerospace Research Technology Park project will attract investment that will help to leverage costs of expanding the Island of Hawaii's broadband capacity.

Your Committees further find that there is continued need for the Space Center to work closely with the University of Hawaii, but also recognizes that the Department of Business, Economic Development, and Tourism is better suited to make the swift and independent decisions and actions in the rapidly evolving aerospace sector to keep Hawaii competitive and attractive to industry partners. This is especially critical with the recent emergence of private commercial space access and a resurgence of global space initiatives. Supporting these initiatives will involve significant private sector investment in the testing, proving, and development of robotics, broadband, energy production, energy storage, recycling, and renewable and sustainable technologies that can have immediate application and use for the Hawaii economy and the general well-being of the State.

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.

Your Committees have deliberately left the appropriation amounts unspecified and defer the determination of those amounts to the Committee on Ways and Means.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Education 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. 2873, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2873, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 2 (Nishihara, Taniguchi).

SCRep. 2903 Health on H.B. No. 2664

The purpose and intent of this measure is to establish a public-private partnership in a county with a population between one hundred thousand and one hundred seventy thousand to develop a health care model to deliver health care across the spectrum of care and particularly to address the challenges in acute care.

Your Committee received testimony in support of this measure from three members of the County Council, County of Maui; Hawaii Health Systems Corporation; two representatives of the Hale Makua Health Services; two members of the Hale Makua Health Services Board of Directors; Maui Memorial Medical Center; United Public Workers; ILWU Local 142; and two individuals.

Your Committee finds that the partnership established by this measure will address the crisis in the post-acute care environment and health care access and quality of care at all levels while maximizing capacity and increasing the operational and financial viability of public and private providers. Your Committee further finds that the Attorney General has concerns about this measure as currently drafted, but the Attorney General has not yet shared those concerns with your Committee. Once those concerns become available as this measure progresses through the legislative process, your Committee will share them with 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 H.B. No. 2664, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2664, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Wakai, Slom).

SCRep. 2904 Health on H.B. No. 2312

The purpose and intent of this measure is to encourage people to conduct early cardiopulmonary resuscitation by excepting from civil liability persons who, in good faith, perform cardiopulmonary resuscitation on individuals in a perceived medical emergency and excepting from civil liability persons who administer a free cardiopulmonary resuscitation training program, except in cases of gross negligence or wanton acts or omissions.

Your Committee received testimony in support of this measure from the Department of Education, State Fire Council, Honolulu Fire Department, and the Ocean Tourism Coalition. Your Committee received comments on this measure from the American Heart Association.

Your Committee finds that section 663-1.5, Hawaii Revised Statutes, provides adequate liability protection for individuals who perform cardiopulmonary resuscitation or use an automated external defibrillator while attempting to resuscitate an individual in immediate danger of loss of life. Your Committee also finds that this measure may be simplified while still explicitly extending protection to those who administer cardiopulmonary resuscitation.

Your Committee has amended this measure by:

- (1) Deleting language that amended section 663-1.5(e), Hawaii Revised Statutes, to exempt from civil liability any person who administers cardiopulmonary resuscitation on an individual in a perceived medical emergency, under certain conditions;
- (2) Inserting language to amend section 663-1.5(a), Hawaii Revised Statutes, to specify that the exemption from liability for civil damages resulting from a person's acts or omissions in rendering emergency care also applies to the person's acts or omissions in administering cardiopulmonary resuscitation, under certain conditions;
- (3) Deleting language that amended section 663-1.5(e) and (f), Hawaii Revised Statutes, to exempt:
 - (A) Persons who provide for a cardiopulmonary resuscitation training program from vicarious liability; and
 - (B) Physicians and physician assistants who administer a cardiopulmonary resuscitation training program from liability,

for any civil damages resulting from acts or omissions of a person who administers cardiopulmonary resuscitation, under certain conditions;

- (4) Deleting the definition of "cardiopulmonary resuscitation", as the procedure for cardiopulmonary resuscitation is constantly being revised and should not be codified in statute;
- (5) Deleting the language that defined "perceived medical emergency" and amended the definitions of "automated external defibrillator program", "good faith", and "rescue team";
- (6) Changing the effective date to upon 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2312, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2312, 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 (Wakai, Slom).

SCRep. 2905 Health on H.B. No. 2227

The purpose and intent of this measure is to require the Department of Health to establish a new birth certificate for a person whose gender differs from the gender designation on the person's original birth certificate.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Department of Health, Hawaii State Democratic Women's Caucus, Planned Parenthood of Hawaii, Community Alliance on Prisons, Pride at Work Hawaii, National Gay and Lesbian Task Force, American Civil Liberties Union of Hawaii, AAUW Windward Branch, Hawaii Advocates for Consumer Rights, CHOW Project, and seventeen individuals. Your Committee received testimony in opposition to this measure from the Hawaii Family Forum and Hawaii Catholic Conference. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that structures that provide for discrimination against certain populations of the State should be remedied. Your Committee notes that the intent of this measure is not to expand access to anyone's birth certificates in the State of Hawaii.

Your Committee has amended this measure by:

- (1) Deleting language that allowed for a cause of action by a birth registrant should the Department of Health refuse to establish a new birth certificate for that birth registrant, as the language is unnecessary due to existing administrative means for individuals seeking to address a complaint with a state department; 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. 2227, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2227, H.D. 1, S.D. 1, and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Wakai, Slom).

SCRep. 2906 Health on H.B. No. 1926

The purpose and intent of this measure is to amend the offense of assault in the second degree to additionally protect physical therapists and other medical services providers providing services in a federally qualified health center, long-term care facility, or specialized nursing facility; and other licensed medical professionals involved in the direct care of patients.

Your Committee received testimony in support of this measure from Kaiser Permanente Hawaii; Healthcare Association of Hawaii; American Organization of Nurse Executives, Hawaii Chapter; The Queen's Medical Center; Hawaii Chapter, American Physical Therapy Association; and two individuals.

Your Committee finds that a recent study of nurses across the nation sponsored by the National Institute of Health found that one in three nurses over forty-five years of age plans to quit when the recession ends because of attacks in the workplace. Testimony submitted by Kaiser Permanente states that the federal Bureau of Labor Statistics found that health care workers experience violent assaults four times more than the national average. Your Committee consequently finds that this measure establishes a deterrent to violence against medical services providers, which will assist the State in maintaining safety in health care facilities and in retaining valuable medical services providers.

Your Committee has amended this measure by:

- (1) Expanding protection under the offense to other medical services staff that provide services in certain facilities and including dentist's offices, home care agencies, home health agencies, hospices, and physician's offices among those facilities;
- (2) Adding unlicensed medical professionals involved in the direct care of patients to the list of medical service providers to be protected;
- (3) Changing the effective date 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1926, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1926, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Wakai, Slom).

SCRep. 2007 (Joint) Water, Land, and Housing and Economic Development and Technology on H.B. No. 2481

The purpose and intent of this measure is to clarify the notice requirements for public hearings held by the Hawaii Community Development Authority.

Your Committees received testimony in support of this measure from the Hawaii Community Development Authority.

Your Committees find that it is unclear whether the Hawaii Community Development Authority must publish its notice in a publication with statewide or county-wide circulation to provide notice of its hearings. This measure clarifies that rulemaking public hearings require statewide publication and development approval public hearings require county-wide publication in the affected county.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing 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. 2481, 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, 7. Noes, none. Excused, 2 (Slom, Tokuda).

SCRep. 2008 (Majority) Judiciary and Labor on H.B. No. 2766

The purpose and intent of this measure is to:

- (1) Establish a wage and hour for public works projects special fund to provide funding for the enforcement of chapter 387, Hawaii Revised Statutes, and to be funded by three one-hundredths of one percent of all state fund appropriations, except appropriations to the Department of Transportation's Airports Division, for capital improvement projects designated for the construction and renovation of state buildings;
- (2) Require the Department of Labor and Industrial Relations to submit an annual report to the Legislature prior to the convening of each regular session regarding the status and activities of the special fund;
- (3) Authorize three full-time equivalent permanent labor law enforcement specialist IV positions in the Wage Standards Division of the Department of Labor and Industrial Relations to enforce the wage and hour laws for employees on public works projects; and
- (4) Makes an unspecified general fund appropriation to allow the Department to fill these newly created positions.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Hawaii Building and Construction Trades Council, AFL-CIO; and Plumbers and Fitters Union, Local 675. Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committee finds that except for the general fund, no other funding mechanism exists for the enforcement of the laws relating to the wages and hours of employees on public works projects. The Compliance Branch of the Wage Standards Division under the Department of Labor and Industrial Relations currently has five labor law enforcement specialists on staff to respond to and investigate all wage law complaints statewide. For fiscal year 2011, the Wage Standards Division received over five hundred wage-related complaints, but with limited staff, the Division was forced to eliminate random educational investigations and limit field work as much as possible. This measure provides a dedicated source of funding for the enforcement of the State's wage and hour laws on public construction contracts to help ensure that these laws are being enforced and economic opportunities are maximized.

As affirmed by the record of votes of the members 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. 2766, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2909 Judiciary and Labor on H.B. No. 2254

The purpose and intent of this measure is to allow chief executives of the State and counties to establish a wage and salary reduction benefit program that qualifies as a pretax transportation benefit program under section 132 of the Internal Revenue Code.

Your Committee received testimony in support of this measure from the Department of Human Resources Development and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the Department of Human Resources Development currently operates a pretax transportation benefit pilot program in the City and County of Honolulu for public employees of the state executive branch (excluding the Department of Education) who are eligible to participate in the state Employees' Retirement System, live and work on Oahu, and do not have parking in a state-controlled lot with a parking payroll deduction. This pilot program operates pursuant to section 132 of the Internal Revenue Code and the federal Transportation Equity Act for the 21st Century and allows employers to offer employees the opportunity to deduct certain qualified transportation expenses, such as public bus fares or vouchers for the cost of vanpool seat fares, from their paychecks on a pretax basis. This transportation fringe benefit is similar to the pretax flexible spending accounts available for medical expenses and dependent care.

Your Committee further finds that the savings from participating in this program depend on the employee's tax bracket and type of transportation benefit the employee purchases through the program. For example, based on an annual salary of \$24,000, a tax savings of \$134.24, \$253.68, or \$181.53 may be gained through participation in the program. This measure provides savings to employees by authorizing the establishment of a permanent pretax transportation benefit program statewide, including counties.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2254, 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 (Ihara).

SCRep. 2910 (Majority) Judiciary and Labor on H.B. No. 2493

The purpose and intent of this measure is to provide unspecified employer contribution amounts for plan years 2011-2012 and 2012-2013 for Hawaii employer-union health benefits trust fund health benefit plan premiums for the public officers and employees of collective bargaining unit 9 (registered professional nurses) pursuant to section 89-11(g), Hawaii Revised Statutes, due to an impasse in negotiations.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the public employers and the Hawaii Government Employees Association are at an impasse and an arbitration hearing has not yet been scheduled. This measure provides a vehicle to implement pending collective bargaining agreements from a potential arbitration for 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 H.B. No. 2493, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2911 (Majority) Judiciary and Labor on H.B. No. 2361

The purpose and intent of this measure is to:

- (1) Require the Department of the Attorney General to collect delinquent accounts for executive departments, except for the Department of Taxation and the University of Hawaii, that are delinquent for more than ninety days;
- (2) Establish a civil recoveries fund into which shall be deposited an unspecified percentage of any monies collected by the Department of the Attorney General for any executive department that has turned over to the Department delinquent accounts for collection, to be used for collection-related expenses, training, education, and appropriate non-litigation collection methods, filing fees, and litigation costs;
- (3) Require the Department to submit to the Legislature an annual report to provide an accounting of the receipts and expenditures of the civil recoveries fund;
- (4) Allow the Department to determine whether to write off accounts deemed uncollectable based on certain criteria; and
- (5) Allow the Judiciary, Department of Taxation, and University of Hawaii to contract with a collection agency to collect on delinquent accounts.

Your Committee received testimony in support of this measure from the Department of the Attorney General and Department of Transportation. Testimony in opposition to this measure was submitted by the Department of Budget and Finance and Department of Commerce and Consumer Affairs. The Department of Taxation submitted comments.

Testimony in opposition to this measure indicates that state agencies should be provided the option to receive collection services from the Department of the Attorney General rather than be statutorily required to turn over their delinquent accounts to the

Department of the Attorney General for collection. The Department of Transportation indicated that this statutory requirement deprives a department of its discretion to enter into discussions with a party to a contract or agreement without involving legal counsel.

Your Committee has amended this measure by adopting the amendments suggested by the Department of the Attorney General by:

- (1) Retaining the authority of all heads of executive departments to prepare and submit for review by the Department of the Attorney General a list of all uncollectable accounts in their departments rather than authorizing the Department of the Attorney General to make this determination;
- (2) Providing all executive departments with the discretion to contract with a collection agency to collect on delinquent accounts or turn over accounts delinquent for more than ninety days to the Department of the Attorney General to handle the collection; 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. 2361, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2361, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2912 Judiciary and Labor on H.B. No. 2476

The purpose and intent of this measure is to make an appropriation to satisfy several claims against the State for refunds of taxes, judgments and settlements, and other miscellaneous payments.

Your Committee received testimony in support of this measure from the Department of the Attorney General and Department of Education.

Your Committee finds that this measure requests a total of \$1,899,814.01 in appropriations from the general fund to satisfy ten claims against the State and a total of \$210,000 in appropriations from the state highway fund to satisfy one claim against the State. Timely passage of this measure will minimize interest on those amounts.

Your Committee has amended this measure by:

- (1) Adding one settlement claim totaling \$60,000 to this measure, as requested by the Department of the Attorney General, from the airport revenue fund, which increases the total amount of appropriations in this measure to \$2,169,814.01 in order to satisfy a total of twelve claims against the 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 H.B. No. 2476, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2476, 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. 2913 (Joint) Water, Land, and Housing and Judiciary and Labor on H.B. No. 2594

The purpose and intent of this measure is to propose a constitutional amendment to the Hawaii State Constitution to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Budget and Finance, Hawaii Cattlemen's Council, Alexander & Baldwin, and Land Use Research Foundation of Hawaii.

Your Committees find that dams and reservoirs are a critical part of the State's infrastructure. Due to the age of most of these facilities, many pose risks to life and property due to dam failures. This measure will provide dam and reservoir owners with a suitable means of financing work to bring Hawaii's dams and reservoirs into compliance with new safety standards.

Your Committees have amended this measure by deleting the portion of the constitutional amendment question that unnecessarily specifies that the bond proceeds be used to make dam and reservoir owners' facilities compliant with current safety standards.

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 are in accord with the intent and purpose of H.B. No. 2594, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2594, 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 (Fukunaga, Ihara, Slom).

SCRep. 2914 Transportation and International Affairs on H.B. No. 101

The purpose and intent of this measure is to:

- (1) Amend the definition of "bicycle" to include certain bicycles powered by an electric motor; and
- (2) Limit the types of bicycles allowed to be transported on buses in the public transportation system.

Your Committee received testimony in support of this measure from the Department of Transportation and City and County of Honolulu Department of Customer Services. Comments were received from the Maui Bicycle Alliance.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 2977, S.D. 2, Regular Session of 2012, which provides an aviation fuel tax credit for interisland airplane carriers; and
- (2) Changing the effective date to upon approval and to apply to taxable years beginning after June 30, 2012.

Your Committee finds that the cost of aviation fuel is accelerating as the cost of petroleum rises worldwide. Aviation fuel costs represent a significant proportion of the costs of operations of all airlines. Existing aviation fuel taxes are assessed against the distributor. This measure, as amended, allows an interisland airplane carrier to whom the distributor has passed on the cost of the fuel tax to claim a credit to be deducted from the airplane carrier's net income tax liability.

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. 101, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 101, 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. 2915 Transportation and International Affairs on H.B. No. 2800

The purpose and intent of this measure is to extend the increase in the rental motor vehicle surcharge tax from June 30, 2012, to June 30, 2017, and to allocate the revenues to the general fund and the rental motor vehicle customer facility charge special fund.

Your Committee received testimony in support of this measure from the Department of Budget and Finance. Testimony in opposition to this measure was received from Hertz Corporation and Avis Budget Group. Comments were received from the Department of Taxation, Tax Foundation of Hawaii, Enterprise Rent-A-Car, Alamo Rent-A-Car, and National Car Rental.

Your Committee has amended this measure by deleting its contents and inserting the provisions of S.B. No. 2960, S.D. 2, which temporarily waive landing fees for air carriers for flights landing at Molokai Airport, Lanai Airport, Kapalua-West Maui Airport, Hana Airport, Kalaupapa Airport, and Waimea-Kohala Airport, beginning on an unspecified date in 2012. Your Committee finds that these airports typically service smaller aircraft that are in grave financial straits due to the state of the economy. It is the intent of your Committee that the savings in landing fees that are provided by this measure be passed on to customers who reside in rural Hawai'i and are suffering economically. Air transportation is a vital link between their communities and the rest 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. 2800, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2800, 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. 2916 Transportation and International Affairs on H.B. No. 2004

The purpose and intent of this measure is to temporarily provide the Department of Transportation with the authority and discretion to reach an agreement with an airport concession to extend the term of the concession and to modify and amend terms of any concession contract, lease, or permit in exchange for revenue-enhancing improvements that are made or paid for by the concession.

Prior to the hearing on this measure, your Committee made available for public review a proposed S.D. 1, which deleted the contents of this measure and inserted language to create a misdemeanor criminal offense of deception of a visitor in transportation services. The offense is committed if a person:

- (1) Offers to transport a visitor to a destination, with intent to deceive, for which the visitor has previously scheduled transport with a bona fide transportation service;
- (2) Charges an amount in excess of that quoted by the bona fide transportation service for which a visitor was waiting for a pick up;
- (3) Collects a fee or rate from a visitor who has already prepaid for transportation through a bona fide transportation service; or
- (4) Does not pick up a visitor from a destination to which the person transports the visitor after representing to pick up the visitor.

Your Committee received testimony in support of the proposed S.D.1 from Polynesian Hospitality, Visitor Transit Coalition, and Hawaii Transportation Association.

Your Committee finds that persons have defrauded tourists by purporting to provide transportation services but instead charging unreasonable high fares or deceiving tourists about the cost for transportation services. As part of these schemes, tourists are typically picked up by a defrauding transportation service provider shortly ahead of a scheduled pick-up by a bona fide taxi or tour operator. The tourists often pay twice the amount of travel fare and sometimes promised refunds, which are never received. To make matters worse, some tourists are never picked up for the return trip and are left stranded without transportation back to their lodging accommodation.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Inserting additional legislative findings to the purpose section;
- (2) Amending the offense of deception of a visitor in transportation services for hire to require only that a person transports a visitor for compensation in a vehicle that is not a bona fide transportation service in order to constitute the offense;
- (3) Clarifying the definition of bona fide transportation service;
- (4) Providing, as an additional penalty, impoundment and forfeiture of the vehicle used if the vehicle was used to commit the offense within thirty-six months immediately preceding the instant offense; and
- (5) 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. 2004, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2004, 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. 2917 Transportation and International Affairs on H.B. No. 2760

The purpose and intent of this measure is to require the Director of Transportation and the counties to restrict or prohibit the use of mopeds on bikeways, bicycle lanes, and bicycle paths, and prohibit the operation of a motor vehicle or commercial motor vehicle while using a mobile electronic device.

Your Committee received testimony in support of this measure from the Department of Transportation, Maui County Police Department, Maui Bicycle Alliance, Blue Planet Foundation, and four individuals.

Your Committee finds that this measure addresses safety concerns of bicyclists and safety risks due to distracted driving of all types of vehicles. This measure is consistent with federal motor carrier safety regulations, which prohibit the use of mobile electronic devices in commercial motor vehicles.

According to testimony of the Department of Transportation, in a 2010 summer seat belt survey, of the 43,577 drivers observed, 733 drivers were observed using cell phones while driving, representing 1.68 percent of drivers. These surveys showed a sharp decline in usage from the 2.11 percent usage rate observed in 2009, when the first cell phone ordinance was enacted in Honolulu. Although there is a lack of information regarding the crash statistics, your Committee is confident that the mobile electronic device law has prevented further crashes and has saved lives and prevented injuries.

Your Committee has amended this measure by:

- (1) Exempting drivers operating a motor vehicle or commercial motor vehicle equipped with an electronic global position tracking system from the prohibition on mobile electronic devices;
- (2) Inserting "complete streets" language to allow:
 - (A) Budget and appropriation requests from the Department of Transportation for highway design to incorporate the complete streets policy;
 - (B) New highways to be engineered to maximize the safety of pedestrians; and
 - (C) Roundabouts to be installed;
- (3) Inserting the contents of H.B. No. 101, H.D. 2, Regular Session of 2012, which prohibit the transport of certain bicycles on buses in the public transportation system and add certain electric motor-powered bicycles to the definition of "bicycle" under the Statewide Traffic Code;
- (4) Amending the definition of "bicycle" in chapter 249, Hawaii Revised Statutes, relating to county vehicular taxes;
- (5) Specifying in section 291C-123, Hawaii Revised Statutes, that the Director of Transportation and the counties shall prohibit, not just restrict, the use of bikeways by mopeds, just as the use of mopeds is prohibited on bicycle paths and bicycle lanes pursuant to section 291C-197, Hawaii Revised Statutes; and
- (6) 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. 2760, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2760, 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. 2918 Judiciary and Labor on H.B. No. 2584

The purpose and intent of this measure is to authorize the Director of Labor and Industrial Relations to accept notices of employers' insurance from approved third party agencies on a form approved by the Director.

Your Committee received testimony in support of this measure from the Plumbers and Fitters Union, Local 675; Pacific Resources Partnership; International Longshore and Warehouse Union Local 142; Laborers' International Union of North America Local 368; and three private individuals.

Your Committee finds that existing law requires employers to file with the Director of Labor and Industrial Relations a notice of the employers' insurance on a form prescribed by the Director. All workers' compensation insurance coverage information is submitted on paper forms and manually inputted into the Department's information system. However, budget cuts and staff reductions have reduced the Department's ability to input insurance information in a timely manner thereby affecting the reliability of the data. This measure will allow the Department to accept and input the insurance information electronically and eliminate the labor-intensive process the Department currently employs.

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. 2584, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2584, 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. 2919 (Majority) Judiciary and Labor on H.B. No. 1112

The purpose and intent of this measure is to:

- (1) Authorize the issuance of a temporary license for the performance and solemnization of a marriage to an individual if the individual has the prior written consent of the couple or couples whose marriage or marriages will be solemnized and authorize that individual to perform and solemnize the marriage;
- (2) Authorize the issuance of a temporary license for the solemnization of a civil union to an individual if the individual who will perform the solemnization has the prior written consent of both persons whose civil union will be solemnized and authorize that individual to solemnize the civil union; and
- (3) Clarify that a person with a temporary license to solemnize marriages or civil unions must fulfill all the requirements under what is now codified as section 572B-8, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawaii.

Your Committee finds that this measure allows couples entering into a marriage or civil union to have non-religious alternatives for solemnization. This measure recognizes Hawaii's religious diversity by ensuring that all individuals are able to find an appropriate officiant for a wedding or civil union.

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. 1112, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1112, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3, Ayes with Reservations (Ihara). Noes, 2 (Gabbard, Slom). Excused, none.

SCRep. 2920 (Joint) Economic Development and Technology and Judiciary and Labor on H.B. No. 2404

The purpose and intent of this measure is to require any board, as defined under section 92-2, Hawaii Revised Statutes, to make its minutes available in hard copy form and by electronic posting on its website, or if it does not have a website, on the official internet website of the State of Hawaii or the official website of the appropriate county.

Your Committees received testimony in support of this measure from the Office of Information Practices; Hawaii State Public Library System; High Technology Development Corporation; Department of Planning and Permitting, City and County of Honolulu; and two members of the Maui County Council. Your Committees received comments on this measure from the Department of Accounting and General Services and the Disability and Communication Access Board.

Your Committees find that this measure addresses only one component of the State's initiatives to provide greater public access to public information and documents through technology.

Your Committees have therefore amended this measure by deleting its contents and replacing them with the language from S.B. No. 2233, S.D. 2, and S.B. No. 2234, S.D. 2, which address the issue of enhanced access to public information in a more comprehensive manner.

As amended, this measure:

- (1) Authorizes government agencies to disseminate publications of notice electronically or in a daily or weekly publication of statewide circulation, or in a daily or weekly publication in the affected county, as appropriate, and requires the public notices and the websites to be accessible to the disabled, the elderly, and other individuals who require state assistance to access the notices and websites;
- (2) Eliminates the requirement to file hard-copy notices of public meetings with the Office of the Lieutenant Governor or county clerk and requires the notice to be posted on the electronic calendar maintained on the State of Hawaii's internet website or

appropriate county's internet website, on the website of the board or the website of the department within which the board is established if the board does not have a website;

- (3) Requires all government agencies, boards, commissions, authorities, and committees to post electronic copies of their agendas and minutes online, and for a state board, to post online any written materials distributed to the board at the meeting, to the extent that such materials would be required to be disclosed by law;
- (4) Requires all government agencies, boards, commissions, authorities, and committees to transmit electronic copies or hard copies of meeting notices to persons who request notification;
- (5) Appropriates funds for the operational expenses of the Office of Information Management and Technology, including establishment of a centralized website of the State for the dissemination of public information;
- (6) Appropriates funds for the Hawaii State Public Library System for support services for public access to public electronic information; and
- (7) Takes effect July 1, 2012, provided that the amended publication of notice requirements under section 1-28.5, Hawaii Revised Statutes, shall take effect on July 1, 2013.

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. 2404, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2404, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Ihara, Slom).

SCRep. 2921 (Joint) Economic Development and Technology and Transportation and International Affairs on H.B. No. 2380

The purpose and intent of this measure is to:

- (1) Establish within the Department of Business, Economic Development, and Tourism for administrative purposes, a working group to study, consider, and recommend ways to reduce the time and cost of shipping goods to Oahu from Molokai and Lanai;
- (2) Require the working group to report to the Legislature its findings and recommendations, including any proposed legislation, no later than twenty days prior to the convening of the Regular Session of 2013; and
- (3) Sunset the working group on June 30, 2013.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Department of Transportation, five members of the Maui County Council, Hawaii Farm Bureau Federation, and Molokai Farm Bureau. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism and Young Brothers, Limited.

Your Committees find that the establishment of this working group is particularly critical for Hawaii's farmers and ranchers. While the cost of shipping the final products to market is a challenge, the shipping costs for goods brought in to develop these products to a market-ready level are also an important and very large part of our cost of goods. This contributes to the challenge Hawaii's agricultural businesses face in competing in not only the local Hawaii market, but broader markets within their specified targets.

Your Committees are supportive of the creation of this working group, and have considered a number of recommendations for amendments to enhance its membership and project scope.

Your Committees have amended this measure accordingly, by:

- (1) Including Hana, Maui, in the scope of the study and consideration of ways to reduce the time and cost of shipping goods to Oahu;
- (2) Adding two members to the working group: a representative of the Hawaii Farmers Union United and a member representing the Hana community; and
- (3) Changing the effective date to July 1, 2012.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology 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. 2380, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2380, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Kahele, Kouchi).

SCRep. 2922 Economic Development and Technology on H.B. No. 2267

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds not to exceed \$100,000,000 to assist Clearcom, Inc., or a partnership headed by Clearcom, Inc., with planning, permitting, designing, constructing, equipping, and operating broadband infrastructure at locations throughout the State.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Clearcom, Inc.; ControlPoint Surveying, Inc.; Council for Native Hawaiian

Advancement; Kalawahine Streamside Association; Papakolea Community Development Corporation; and Referentia Systems, Inc. Your Committee received comments on this measure from Hawaiian Telcom and Oceanic Time Warner Cable.

Your Committee supports the overall objective of improving Hawaii's broadband infrastructure. However, the lack of specificity in this measure regarding the locations for such infrastructure, and whether these locations are in underserved areas, makes it difficult to assess the benefits to Hawaii residents.

Your Committee has amended this measure accordingly, 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. 2267, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2267, H.D. 1, S.D. 1, and be 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. 2923 Economic Development and Technology on H.B. No. 1868

The purpose and intent of this measure is to:

- (1) Define "basic exchange service" as those services consisting of single-line dial tone, touch-tone dialing, access to operator service, access to enhanced 911, telecommunications relay service, telephone directory, and access to directory-assistance service via 411 dialing; and
- (2) Make basic exchange service the only type of retail telecommunications service for which a telecommunications carrier must obtain approval from the Public Utilities Commission to charge a rate higher than the filed tariff rate.

Your Committee received testimony in support of this measure from Hawaiian Telcom. Your Committee received testimony in opposition to this measure from the Consumer Advocate. Your Committee received comments on this measure from the Public Utilities Commission and TW Telcom Inc.

Your Committee finds that under this measure a telecommunications carrier may adjust a rate for any retail telecommunications service, other than basic exchange service, that is higher than the current filed tariff rate for that service without approval from the Public Utilities Commission. The current Public Utilities Commission approval requirement for any increase in rates to retail telecommunications basic exchange service, such as single line residence and business service and access to 911 and operator services, remains the same. Your Committee further finds that this measure will continue the State's effort to level the regulatory playing field in retail telecommunications services and ensure that Hawaii's telecommunications marketplace remains vibrant and strong for Hawaii consumers.

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. 1868, H.D. 1, 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 (Slom).

SCRep. 2924 Economic Development and Technology on H.B. No. 1788

The purpose and intent of this measure is to update Hawaii's computer fraud statutes by adding language mirroring Hawaii's identity theft statutes to better address the realities of modern cybercrime. Specifically, this measure:

- (1) Establishes a new offense of computer fraud in the third degree;
- (2) Adds new definitions related to computer crime to incorporate the element of phishing and spyware into all computer fraud offenses and unauthorized computer access offenses;
- (3) Changes the offenses of computer crime in the first degree and unauthorized computer access in the first degree from class B to class A felonies;
- (4) Changes the offenses of computer crime in the second degree and unauthorized computer access in the second degree from class C to class B felonies; and
- (5) Increases the minimum value of identifying information obtained that constitutes unauthorized computer access in the first degree from \$5,000 to \$20,000.

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 High Technology Development Corporation. Your Committee received comments on this measure from Hawaiian Electric Company.

Your Committee has heard that Hawaii's current computer fraud statutes are too narrow to address most activities that are typically thought of as "computer fraud". For example, first-degree computer fraud requires proof that an offender accessed a computer without authorization to obtain or exert control over the property of another. However, most potential computer fraud offenders use their own computer, which they presumably are authorized to use to carry out offenses such as online auction fraud, advance fee scams, counterfeit check scams, phishing, and e-mail scams.

While your Committee supports more effective prosecution of computer crimes, your Committee has also heard concerns regarding some of the proposed language in this measure. Your Committee notes that this measure already contains an effective date of

January 7, 2019, inserted by a previous committee for the purposes of continuing discussion, and urges further work by interested stakeholders to address these concerns and recommendations as this measure progresses through the legislative process.

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. 1788, 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. 2925 Human Services on H.B. No. 1724

The purpose and intent of this measure is to:

- (1) Provide Medicaid presumptive eligibility to patients who have been waitlisted for long-term care;
- (2) Require the Department of Human Services to conduct a study of a computerized Medicaid applications system to address inefficiencies and other problems associated with processing Medicaid applications;
- (3) Require the Department of Human Services to submit a series of reports on costs and other issues related to Medicaid presumptive eligibility; and
- (4) Make an appropriation to reimburse certain providers and plans.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii, Healthcare Association of Hawaii, Kaiser Permanente, Papa Ola Lokahi, and United Self Help. Your Committee received testimony in opposition to this measure from the Department of Human Services. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that patients who are waitlisted for long-term care are occupying acute care beds in Hawaii's hospitals. The delay in discharging patients who are waitlisted for long-term care ranges from several days to several months and in some cases over a year and costs hospitals millions of dollars. The delay also increases uncompensated costs for hospitals, creates a shortage of acute care beds, and decreases quality of life for patients who no longer need acute care services. Your Committee further finds that the lengthy review and approval process for Medicaid eligibility for waitlisted patients contribute to this delay. This measure will create presumptive Medicaid eligibility for waitlisted patients and alleviate the current problem experienced by hospitals and patients.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2030, to July 1, 2013; 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. 1724, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1724, 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. 2926 Agriculture on H.B. No. 1942

The purpose and intent of this measure is to:

- (1) Allow monies in the pest inspection, quarantine, and eradication fund to be expended for the electronic importer manifest program of the Department of Agriculture; and
- (2) Make an appropriation in an unspecified amount to the Department of Agriculture from the pest inspection, quarantine, and eradication fund to implement the electronic importer manifest program.

Your Committee received testimony in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, Hawaii Crop Improvement Association, The Nature Conservancy, and Hawaii Farm Bureau Federation.

Your Committee finds that this measure will support the Department of Agriculture's efforts to make agricultural inspection more efficient and cost effective. In addition, this measure will help expand the Department of Agriculture's technological capacity to help protect Hawaii from invasive species.

Your Committee has amended this measure by inserting an appropriation amount of \$200,000.

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. 1942, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1942, 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, 3 (Chun Oakland, Tokuda, Slom).

SCRep. 2927 (Joint) Agriculture and Transportation and International Affairs on H.B. No. 1941

The purpose and intent of this measure is to make an appropriation to the Department of Agriculture to establish agricultural inspection facilities and related infrastructure at the Honolulu International Airport, Kona International Airport, Kawaihae Harbor, Kamuela Vacuum Cooling Plant, and Honolulu Harbor.

Your Committees received testimony in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, Coordinating Group on Alien Pest Species, The Nature Conservancy, and Hawaii Farm Bureau Federation. Your Committees received comments on this measure from the Department of Transportation.

Your Committees find that construction of agricultural inspection and biosecurity facilities are necessary to ensure effective inspection and to help maintain the quality of perishable commodities in the State.

Your Committees have amended this measure by:

- (1) Deleting the appropriation from the agricultural development and food security special fund;
- (2) Authorizing the Director of Finance to issue revenue bonds in an unspecified amount to fund the design, planning, and construction of various agricultural inspection biosecurity facilities and related infrastructure;
- (3) Clarifying that the Department of Transportation and Department of Agriculture will determine the site of the Honolulu Harbor deconsolidation and Hawaii-grown marketplace facilities;
- (4) Clarifying that the funding for the Honolulu Harbor deconsolidation and Hawaii-grown marketplace facilities shall be only for planning and preliminary design and shall not include construction; 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 Agriculture 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. 1941, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1941, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 6 (Chun Oakland, Espero, Gabbard, Shimabukuro, Slom, Tokuda).

SCRep. 2928 Agriculture on H.B. No. 1943

The purpose and intent of this measure is to provide funding for detector-dog inspector positions within the Department of Agriculture.

Your Committee received testimony in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, Coordinating Group on Alien Pest Species, Hawaii Farm Bureau Federation, The Nature Conservancy, and one individual.

Your Committee finds that the detector-dog program provides an important resource to improve the prevention of the introduction or spread of invasive species in Hawaii. Previously, the detector-dog inspector program was funded through federal monies and was therefore limited to brown tree snake interdiction. Appropriating state funds for this program will allow the Department of Agriculture to use detector dogs for other types of invasive species prevention related activities.

Your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$162,540; 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. 1943, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1943, 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, 4 (Kouchi, Shimabukuro, Tokuda, Slom).

SCRep. 2929 Agriculture on H.B. No. 283

The purpose and intent of this measure is to authorize the transfer of excess monies in the agricultural loan revolving fund to the pest inspection, quarantine, and eradication fund.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Coffee Company; Hawaii Farm Bureau Federation; Ka'u Farm Bureau; Hawaii Farmers Union United; Kona Coffee Farmers Association; Greenwell Farms, Inc.; and seventeen individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from Luther Coffee Farm, Kanalani Ohana Farm, and Mokulele Farms.

Your Committee finds that the agricultural loan revolving fund has at least \$140,000 in excess of the requirements of the fund. Your Committee further finds that these excess funds could benefit the Department of Agriculture's program to control and eradicate the coffee borer beetle, which is causing havoc on Hawaii's coffee farmers.

Your Committee has amended this measure by:

- (1) Amending the reference to the "coffee borer beetle" to the "coffee berry borer" to more accurately reflect the name of the pest; and
- (2) Changing the effective date to July 1, 2025, 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 H.B. No. 283, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 283, 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, 3 (Chun Oakland, Tokuda, Slom).

SCRep. 2930 Agriculture on H.B. No. 2150

The purpose and intent of this measure is to authorize the use of photovoltaic systems, biogas, and other small-scale renewable energy systems producing energy solely for use in the agricultural activities of the fee or leasehold owner of property in agricultural districts.

Your Committee received testimony in support of this measure from Kamehameha Schools and the Hawaii Aquaculture and Aquaponics Association. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that this measure will help individual farmers and landowners to reduce the electrical cost of running pumps and processing operations while providing electrical service in locations where a conventional electrical hookup is not possible. Your Committee further finds that clean energy that assists in the operations of local farms and agricultural projects serves a dual purpose of providing food and energy self-sufficiency for the State of Hawaii.

Your Committee recognizes that this measure proposes to amend section 205-2(d)(7), Hawaii Revised Statutes (HRS), to include photovoltaic and biogas systems as allowable uses supporting bona fide agricultural services in agricultural districts. This measure also proposes to amend section 205-4.5(a)(10), HRS, to allow photovoltaic and biogas systems specifically on soil classified as productivity rating class A or B. Currently, section 205-2(d)(6), HRS, allows solar energy facilities to exist in agricultural districts subject to several restrictions while section 205-4.5(a)(19), HRS, permits solar energy facilities on soil classified as productivity rating class B, subject to certain conditions, but expressly disallows solar energy facilities on soil classified with as productivity rating class A. Your Committee is aware that sections 205-2 and 205-4.5, HRS, do not contain a definition of the term "solar energy facilities". As such, your Committee suggests that as this measure progresses through the legislative process, further discussion and clarification occur to ensure that solar energy facilities are not considered to be photovoltaic systems for purposes of this 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 H.B. No. 2150, H.D. 2, and recommends that it pass Second Reading and be referred to the Committees on Energy and Environment and Water, Land, and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Chun Oakland, Tokuda, Slom).

SCRep. 2931 Agriculture on H.B. No. 2429

The purpose and intent of this measure is to allow ex officio members of the Board of Agriculture to designate a representative to attend board meetings when the ex officio member is unable to attend.

Your Committee received testimony in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, and Hawaii Farm Bureau Federation.

Your Committee finds that the Board of Agriculture is made up of ten members, three of which are ex officio voting members: the Chairperson of the Board of Land and Natural Resources; Director of Business, Economic Development, and Tourism; and Dean of the University of Hawaii College of Tropical Agriculture and Human Resources. Often times, the busy schedules of these voting ex officio members make it extremely difficult for them to attend board meetings. This measure will allow these ex officio members to designate representatives to attend board meetings in their place, which will increase the productivity and efficiency of the Board of Agriculture.

Your Committee has amended this measure by adding a purpose section to clarify that:

- (1) While the intent of this measure is to provide flexibility, it is not the intent of your Committee that that the ex officio voting members rely solely on the attendance of their designated representatives in carrying out their statutory duty to serve on the Board of Agriculture; and
- (2) On occasions where a designated representative attends a meeting on behalf of the ex officio voting member, the designated representative should be a person who has the agricultural background and experience necessary to actively participate in the discussion and decision making of the Board 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 is in accord with the intent and purpose of H.B. No. 2429, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2429, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Kouchi, Shimabukuro, Tokuda, Slom).

SCRep. 2932 Transportation and International Affairs on H.B. No. 1791

The purpose and intent of this measure is to:

- (1) Require a court to revoke the license of any driver for a period of up to ten years upon a conviction of the driver of manslaughter resulting from the operation of a motor vehicle;
- (2) Require a court to 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;

- (3) Allow a court to sentence a defendant, as a condition of a sentence of probation, to serve a term of imprisonment not exceeding two years for a conviction of manslaughter; and
- (4) Exempt a person convicted of manslaughter from mandatory sentencing to an indeterminate term of imprisonment of twenty years, but allow that person to be sentenced to an indeterminate term of imprisonment.

Your Committee received testimony in support of this measure from the Department of Transportation, Attorney General, and the County of Maui Prosecuting Attorney.

Your Committee finds that this measure provides for license revocation periods that are appropriate and justified for those who have been convicted of serious traffic-related fatalities. Your Committee further finds that this measure provides necessary clarity regarding the imposition of a term of imprisonment, as a condition for probation, for a person convicted of manslaughter and makes section 706-659, Hawaii Revised Statutes, consistent with section 706-620(2), Hawaii Revised Statutes, which allows for a sentence of probation for an offense of manslaughter.

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. 1791, 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 (Dela Cruz, Espero, Slom).

SCRep. 2933 Transportation and International Affairs on H.B. No. 1928

The purpose and intent of this measure is to repeal section 291E-68, Hawaii Revised Statutes, which makes refusal to submit to a breath, blood, or urine test a petty misdemeanor.

Your Committee received testimony in support of this measure from the Office of the Public Defender and Maui County Prosecuting Attorney. Testimony in opposition was received from Mothers Against Drunk Driving.

Your Committee finds that the criminalization of the refusal to submit to a chemical test is causing serious problems with the prosecution of individuals arrested for operating a vehicle under the influence of an intoxicant. Several cases in Maui county have been dismissed because of purported constitutional violations relating to the potential for criminal penalties associated with a defendant's refusal to submit to a chemical test. In lieu thereof, your Committee finds existing law requiring license revocation in an administrative license revocation proceeding to be an adequate penalty.

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. 1928, 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 (Dela Cruz, Espero, Slom).

SCRep. 2934 Human Services on H.B. No. 755

The purpose and intent of this measure is to streamline the public housing eviction process by conforming procedural requirements to federal law. Specifically, this measure:

- (1) Changes the notification and eviction hearings process for tenants who face eviction; and
- (2) Decreases the minimum member requirement for the eviction board from three members to one member, with a maximum of three members.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority of the Department of Human Services and one individual.

Your Committee finds that this measure would assist the Hawaii Public Housing Authority in streamlining the eviction procedures that are utilized to remove lease violators from federal low income public housing administered by the Hawaii Public Housing Authority.

Your Committee also finds that this measure, as currently drafted, retains language regarding tenants' rights to request a grievance hearing. This language is unnecessary as it is already provided and protected by federal regulations and chapter 17-2021, Hawaii Administrative Rules.

Your Committee further finds that this measure, as currently drafted, and under the current statutory framework, requires the Hawaii Public Housing Authority to fly the hearing officer and hearing assistant to neighbor islands to conduct hearings before the Maui, Kauai, Hilo, and Kona eviction boards. In light of budget reductions by the federal Department of Housing and Urban Development, deleting this language could allow the Authority to study the feasibility of an Oahu-based videoconferencing option for conducting hearings on neighbor islands, which could result in a potential savings of \$13,000 to \$19,000 per year.

Your Committee has amended this measure by:

- (1) Deleting language in section 356D-92, Hawaii Revised Statutes, regarding notice of a tenants' rights to request a grievance hearing; and
- (2) Deleting language requiring that at least one eviction board be established in each county of the State.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 755, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 755, 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, 3. Noes, none. Excused, 1 (Green).

SCRep. 2935 Judiciary and Labor on H.B. No. 2099

The purpose and intent of this measure is to deter frivolous workers' compensation claims and appeals from being filed by allowing attorney's fees to be included in the costs that may be assessed against a party who brings, prosecutes, or defends a workers' compensation claim without reasonable grounds.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, International Longshore and Warehouse Union Local 142, and five private individuals. The Hawaii Insurers Council submitted comments.

Your Committee finds that existing law permits the whole costs of a workers' compensation proceeding to be assessed against the party who brought, prosecuted, or defended the proceeding without reasonable grounds. This measure clarifies that in addition to whole costs, reasonable attorney's fees may also be assessed against the party who brought, prosecuted, or defended the proceeding without reasonable grounds.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2112, to July 1, 2050; 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 H.B. No. 2099, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2099, 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 (Gabbard, Ihara).

SCRep. 2936 Judiciary and Labor on H.B. No. 2773

The purpose and intent of this measure is to reduce crime and improve the quality of life in Hawaii's neighborhoods by:

- (1) Permanently establishing the weed and seed program within the Department of Labor and Industrial Relations;
- (2) Requiring the Department to submit an annual report to the Legislature and Governor on the activities of the weed and seed program, including completed or ongoing projects, expended funds, and other relevant program data or information;
- (3) Making an unspecified appropriation for a grant pursuant to chapter 42F, Hawaii Revised Statutes, to the Young Men's Christian Association of Honolulu to support the operations of the weed and seed program through the Office of Community Services of the Department of Labor and Industrial Relations; and
- (4) Making an unspecified appropriation to maintain current operations of the weed and seed program and expand the weed and seed program into other areas of the State.

Your Committee received testimony in support of this measure from the Department of Human Services; Department of Public Safety; Office of Community Services of the Department of Labor and Industrial Relations; Police Department of the City and County of Honolulu; Waipahu Elementary School; Ilima Intermediate School; Gentry Homes, Ltd.; residents of Kekaulike Courtyards; Empower Oahu; and nine private individuals. The Department of Labor and Industrial Relations submitted comments.

Your Committee finds that the weed and seed program takes a comprehensive, collaborative approach to law enforcement, crime prevention, and community revitalization by involving law enforcement, community residents, non-profit organizations, community groups, and private businesses to help reduce crime and improve the quality of life for neighborhoods that have been designated as weed and seed areas. The program works by attempting to "weed" out the criminal element in the community while simultaneously "seeding" the community through the implementation of prevention, intervention, treatment, and neighborhood revitalization projects, programs, and activities. This measure maintains these efforts and helps reduce crime and improve the quality of life for the people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2773, H.D. 3, and recommends that 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. 2937 (Majority) Judiciary and Labor on H.B. No. 2495

The purpose and intent of this measure is to provide unspecified employer contribution amounts for plan years 2011-2012 and 2012-2013 for Hawaii employer-union health benefits trust fund health benefit plan premiums for the public officers and employees of collective bargaining unit 11 (firefighters) pursuant to section 89-11(g), Hawaii Revised Statutes, due to an impasse in negotiations.

Your Committee received testimony in support of this measure from the Hawaii Fire Fighters Association, IAFF Local 1463, AFL-CIO.

Your Committee finds that the public employers and the Hawaii Fire Fighters Association are at an impasse and an arbitration hearing has not yet been scheduled. This measure provides a vehicle to implement pending collective bargaining agreements from a potential arbitration for bargaining unit 11.

As affirmed by the record of votes of the members 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. 2495, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 2938 (Majority) Judiciary and Labor on H.B. No. 2494

The purpose and intent of this measure is to provide unspecified employer contribution amounts for plan years 2011-2012 and 2012-2013 for Hawaii employer-union health benefits trust fund health benefit plan premiums for the public officers and employees of collective bargaining unit 10 (institutional, health, and correctional workers) pursuant to section 89-11(g), Hawaii Revised Statutes, due to an impasse in negotiations.

Your Committee received testimony in opposition to this measure from the United Public Workers, AFSCME Local 646, AFL-CIO. The Department of Budget and Finance submitted comments.

Your Committee finds that the public employers and the United Public Workers are at an impasse and an arbitration hearing has been scheduled for July 17 to 25, 2012. Your Committee recognizes the testimony indicating that this measure may be premature. However, if an agreement is reached on employer-union health benefits trust fund health benefit plan premium contribution amounts prior to the scheduled arbitration hearing, this measure will provide a vehicle to implement pending collective bargaining agreements for bargaining unit 10.

As affirmed by the record of votes of the members 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. 2494, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 2 (Gabbard, Ihara).

SCRep. 2939 Judiciary and Labor on H.B. No. 2251

The purpose and intent of this measure is to authorize the county clerk of any county to mail absentee ballots to all registered voters residing in population areas of less than one hundred thousand voters on an island county that is not contiguous with the county seat of government.

Your Committee received testimony in support of this measure from the Office of Elections, Office of the County Clerk of the County of Kauai, Office of the County Clerk of the County of Maui, and League of Women Voters of Hawaii.

Your Committee finds that this measure addresses the logistical and administrative issues associated with establishing polling places in areas on an island county that are not contiguous with the county seat of government. For the island of Niihau, these issues include the delivery and return of ballots, voting machines, and associated election materials in addition to the recruitment of on-island precinct officials to operate the polling place. Authorizing the county clerk to mail absentee ballots to registered voters residing in such areas encourages more eligible voters to register and participate in voting.

As affirmed by the record of votes of the members 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. 2251, and recommends that 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. 2940 Economic Development and Technology on H.B. No. 1551

The purpose and intent of this measure is to establish:

- (1) A qualified persons crew training program rebate equal to an unspecified percentage of the hourly wages of each resident participant in a qualified persons crew training program; and
- (2) A tax credit for qualified media infrastructure projects at an unspecified percentage of the qualified costs incurred for qualified media infrastructure projects.

Prior to the hearing, your Committee made available a proposed S.D. 1, which deleted the contents of this measure and inserted language to:

- (1) Extend the income tax credit for research activities through December 31, 2016;
- (2) Define "qualified high technology business" for the purposes of the tax credit to mean a business employing or owning capital or property, or maintaining an office, in this State; provided that more than fifty per cent of its total business activities are qualified research and more than fifty per cent of its qualified research is in this State;
- (3) Add annual survey reporting requirements for tax credit claimants to measure the effectiveness of the tax credit; establish a fine for failure to file the survey information; and include federal and state income tax returns and documents related to deductions for tax credits for research activities to be filed as part of the survey;

- (4) Require the Department of Taxation to use information collected from the annual surveys to study the effectiveness of the tax credit and to annually report certain data collected to the Legislature; and
- (5) Apply to tax years beginning after December 31, 2011.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii Strategic Development Corporation, High Technology Development Corporation, The Chamber of Commerce of Hawaii, Dual Use Hawaii, Novasol, Pukoa Scientific, and one individual. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the state tax credit for research activities was an effective measure to support research and development activities, and in turn, foster and encourage the innovation essential to create high-wage job opportunities in the State's economy. Your Committee understands that the tax credit claims under this program averaged approximately \$11,000,000 a year. However, it is anticipated that use of this credit in the future may fall below this average as federal spending on research activities has been reduced due to the elimination of congressional earmarks. In addition, as the credit can only be claimed for actual expenditures made in Hawaii and for only twenty percent of the qualified expenditures, the cost of the program is partially offset by taxes paid on expenditures and payroll.

Your Committee further finds that in the current economy, extension of this tax credit would provide critical assistance for research activities that are the base of success in the rapidly evolving technology industry, and for which other financial assistance is limited.

Your Committee understands that there may be additional amendments necessary to clarify the definitions in this measure and recommends that the Department of Taxation, Hawaii Strategic Development Corporation, and interested industry stakeholders collaborate on these amendments for presentation to the Committee on Ways and Means.

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. 1551, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1551, 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 (Solomon).

SCRep. 2941 Economic Development and Technology on H.B. No. 2295

The purpose and intent of this measure is to address the increase in cyberbullying by:

- (1) Establishing the offense of harassment by cyberbullying as a petty misdemeanor;
- (2) Adding a definition for "digital nuisance" to mean electronic communication that causes mental or physical harm and is sufficiently severe, persistent, or pervasive that it creates an intimidating, threatening, or abusive environment; and
- (3) Amending the offense of use of a computer in the commission of a separate crime to include harassment by cyberbullying.

Your Committee received testimony in support of this measure from the Hawaii Youth Services Network and four individuals. Your Committee received comments on this measure from the Department of the Attorney General; Department of the Prosecuting Attorney, City and County of Honolulu; and American Civil Liberties Union of Hawaii.

Your Committee finds that, while well intended, much of the new language in this measure is very similar to that contained in section 711-1106.5, Hawaii Revised Statutes, harassment by stalking, which is a full misdemeanor offense; and section 711-1106, Hawaii Revised Statutes, harassment, which is a petty misdemeanor offense. Your Committee concurs that the conduct intended to be prohibited by this new offense is already covered to a large extent under existing law, and has considered other means to deter cyberbullying.

Your Committee has amended this measure accordingly, by:

- (1) Deleting section 1, which would have established an offense of harassment by cyberbullying, and section 2, which would have added a definition of "digital nuisance" to existing law;
- (2) Clarifying that the offense of use of a computer in the commission of a separate crime also includes knowingly using a computer to harass, annoy, or alarm a victim or intended victim;
- (3) Establishing that knowingly using a computer to perform certain acts against a victim or intended victim of harassment under section 711-1106, Hawaii Revised Statutes, or harassment by stalking under section 711-1106.5, Hawaii Revised Statutes, constitutes the offense of use of a computer in the commission of a separate crime; 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 H.B. No. 2295, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2295, 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 (Sloam).

SCRep. 2942 Economic Development and Technology on H.B. No. 2013

The purpose and intent of this measure is to clarify that kickboxing, pankration, muay Thai, and xtreme martial arts are included in the definition of "mixed martial arts".

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs. Your Committee received testimony in opposition to this measure from five individuals. 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 the disciplines of kickboxing, pankration, muay tai, and xtreme martial arts are not currently covered under chapter 440E, Hawaii Revised Statutes. As a result, there is no requirement for contestants' blood work or the presence of licensed physicians, referees, judges, and ambulance at these events. Your Committee further finds that the risk of injury in events with these disciplines is just as great as events with currently regulated mixed martial arts event disciplines.

Your Committee has considered the opposition to the inclusion of these disciplines as mixed martial arts, but considers that this measure will provide greater protection for the health and safety of the contestants. In addition, your Committee understands that the language in this measure is the result of consultation with the Department of the Attorney General and the Regulated Industries Complaints Office.

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. 2013, H.D. 2, 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 (Slom).

SCRep. 2943 (Joint) Economic Development and Technology and Commerce and Consumer Protection on H.B. No. 2524

The purpose and intent of this measure is to establish a three-member Telecommunications and Cable Television Services Commission within the Department of Business, Economic Development, and Tourism and to consolidate the regulation of telecommunications carriers and cable operators in the State under this Commission.

Your Committees received testimony in support of this measure from the Office of the Governor; Department of Business, Economic Development, and Tourism; and Department of Commerce and Consumer Affairs. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Human Resources Development; Public Utilities Commission; State Procurement Office; AT&T Services, Inc.; CTIA-The Wireless Association; Hawaiian Electric Company, Inc.; Hawaiian Telcom; and TW Telecom of Hawaii.

Your Committees find that, while laudatory, this measure appears to be somewhat premature in the extent to which it would consolidate the regulation of telecommunications carriers and cable operators in the State. Your Committees note many concerns raised by those who have testified on this measure and its companion throughout the legislative process. For example, it may not be appropriate for one entity to regulate Hawaii's telecommunications carriers and cable operators, or to do so within the same statutory framework. Your Committees further find that, if the existing statewide cable regulatory framework serves as a positive model, then perhaps the new statutory framework for telecommunications should use the same approach under a new commission, with the Department of Commerce and Consumer Affairs Cable Television Division continuing the regulation of cable companies.

However, your Committees also consider that the real challenge in streamlining telecommunications regulation is to remove impediments such as permit processing and access requirements. Addressing this issue may be more effective if telecommunications and cable regulation are under one agency, in order to achieve the ultimate objective of accelerating broadband deployment throughout the State. Your Committees anticipate there will be a number of other concerns that require similar review in order to achieve an effective regulatory balance.

Your Committees commend the Governor, the Department of Commerce and Consumer Affairs, and Public Utilities Commission for their willingness to begin the process of streamlining the regulation of the State's telecommunications carriers and cable operators, and the many stakeholders for their insistence that such a substantial undertaking be done in a manner that benefits the people of Hawaii. Your Committees urge the Department of Commerce and Consumer Affairs and Public Utilities Commission to continue to collaborate with these stakeholders and, where appropriate, to use the services of third-party consultants on some of the issues that should be thoroughly evaluated in the streamlining effort, such as whether wireless services should be statutorily deregulated as proposed by some of the testifiers. In addition, your Committees urge the parties' consideration of best practices from other jurisdictions and other actions that have helped to speed up broadband deployment.

Your Committees have amended this measure to address these and other concerns by deleting its contents and replacing them with language to:

- (1) Establish a two-member Communications Commission within the Department of Commerce and Consumer Affairs, with the members to be appointed by the Governor as provided in section 26-34, Hawaii Revised Statutes;
- (2) Direct the Communications Commission to develop and update comprehensive policies and recommendations for administrative and statutory changes to further the deployment of broadband services; promote the interests of the State; and provide incentives, expedite procedures, and establish policies to increase investment in and further the deployment of broadband infrastructure within the State;
- (3) Require the Communications Commission to work with other governmental entities and stakeholders to develop at least two demonstration projects that expedite permitting processes to provide access to public rights-of-way and public facilities for the construction of broadband infrastructure, including the State of Hawaii's broadband technology and opportunities program grant, and a private sector application for state and county permits;
- (4) Require that no later than January 1, 2013, the Communications Commission shall develop and submit to the Legislature:

- (A) A status report on the outcomes of the demonstration projects to expedite permitting processes for the construction of broadband infrastructure; and
 - (B) Recommended legislation to streamline regulation of telecommunications carriers and cable operators in the State under the Communications Commission and this measure by January 1, 2014.
- (5) Appropriate funds out of the cable television division subaccount in the compliance resolution fund established under section 26-9(o), Hawaii Revised Statutes, to carry out the purposes of this measure, including the hiring of one full-time attorney, one full-time office assistant, and two full-time commissioners; and
- (6) Insert an effective date of July 1, 2012.

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. 2524, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2524, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Green, Nishihara, Slom).

SCRep. 2944 (Joint) Economic Development and Technology and Commerce and Consumer Protection on H.B. No. 2526

The purpose and intent of this measure is to require reporting by telecommunications and cable television providers to the Department of Commerce and Consumer Affairs and to provide confidentiality for certain information and reports submitted.

Your Committees received testimony in support of this measure from the Office of the Governor; Department of Business, Economic Development, and Tourism; and Department of Commerce and Consumer Affairs. Your Committees received testimony in opposition to this measure from AT&T Services, Inc., and CTIA-The Wireless Association. Your Committees received comments on this measure from Hawaiian Telcom, TW Telecom of Hawaii, and Sandwich Isles Communications, Inc.

Your Committees find that the development of 21st century communications infrastructure and statewide access to advanced information services is critical to the State's residents and their economic future. To meet this challenge, the State requires data to adapt its policies to address a swiftly changing communications industry. Your Committees further find that under the Department of Commerce and Consumer Affairs' broadband development grant awarded pursuant to the American Recovery and Reinvestment Act of 2009, Act 199, Session Laws of Hawaii 2010, and the Broadband Initiative, the Department of Commerce and Consumer Affairs has been charged with tasks to encourage and expedite broadband infrastructure development.

The Department of Commerce and Consumer Affairs has stated that access to accurate and current information on the State's communications infrastructure and broadband service availability is key to effective policies and programs to advance broadband access, lobbying for federal funds for broadband infrastructure, and identifying the best strategies to leverage government resources and future projects to foster infrastructure deployment, especially in unserved and underserved areas of the State.

While your Committees are supportive of the need for information, particularly with regards to meeting the federal grant requirements, your Committees agree with many of the concerns expressed by the providers that would be most affected by this measure. In particular, it was noted that no other state mandates companies to provide information at the level proposed in this measure, and in some states the broadband mapping is undertaken on an entirely voluntary level.

Your Committees find merit in both arguments, and have looked for common elements to provide a workable framework from which the Department of Commerce and Consumer Affairs can begin its broadband mapping initiatives, while ensuring greater protection of the information submitted by providers.

Your Committees have amended this measure by:

- (1) Amending the definition of "broadband speed threshold" to mean the highest speed threshold defined or established by the Federal Communications Commission in its broadband progress report applicable for the time period for which an informational report is filed pursuant to this measure;
- (2) Changing the starting date of the informational reports from July 31, 2012, to January 31, 2013, and every January 31 thereafter;
- (3) Clarifying that for the informational reports, commercial mobile radio service providers shall file with the department data and information that is the same as and not inconsistent with information filed with the Federal Communications Commission;
- (4) Clarifying that the information gathered will focus on tax map key parcels that cannot be served in a census-block at the broadband speed threshold, with the focus on rural areas;
- (5) Deleting the authorization for the Department of Commerce and Consumer Affairs to request additional information from providers;
- (6) Clarifying that confidential information will be kept confidential;
- (7) Deleting the Department of Commerce and Consumer Affairs' authority to share information and data with the Attorney General, the Consumer Advocate, and the Director of Business, Economic Development, and Tourism for the performance of these agencies' duties;
- (8) Clarifying that the Department of Commerce and Consumer Affairs may disclose aggregated mapping information and data in the Director's discretion to prevent identification of a provider with the specific data furnished by that provider;

- (9) Requiring the Department of Commerce and Consumer Affairs to ensure the security and confidentiality of the information, protect against any anticipated threats or hazards to the security or integrity of the information; and protect against unauthorized access to or use of the information that could result in personal or competitive harm to individuals or providers;
- (10) Inserting an effective date of July 1, 2012; 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 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. 2526, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2526, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Green, Nishihara, Slom).

SCRep. 2945 Commerce and Consumer Protection on H.B. No. 1875

The purpose of this measure is to implement the recommendations of the Mortgage Foreclosure Task Force submitted to the Legislature for the Regular Session of 2012, and other best practices, to improve the mortgage foreclosures law and address related issues affecting homeowner association liens and the collection of unpaid assessments.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Office of Consumer Protection; Legal Aid Society of Hawaii; and one individual.

Your Committee received testimony in opposition to this measure from Hawaii Financial Services Association; Hawaii State Bar Association; Bayshore Towers Association of Apartment Owners; Mililani Town Association; AOA Harbor Square; Hawaii Credit Union League; Royal Kunia Community Association; Country Club Village, AOA; Hawaii Bankers Association; and eight individuals.

Your Committee received comments on this measure from Hawaii Association of Realtors; RCO Hawaii; Anderson Lahne & Fujisaki, LLP; Community Associations Institute; Palehua Community Association; Villages of Kapolei Association; Outrigger Enterprises Group; and one individual.

Your Committee has amended this measure by replacing its entire contents with the similar provisions of S.B. No. 2429, S.D. 1, which is the companion bill to this measure. As amended, this measure implements the final recommendations of the Mortgage Foreclosure Task Force and other best practices by, among other things:

- (1) Amending section 667-60, Hawaii Revised Statutes, which makes any violation of the mortgage foreclosure law under Chapter 667, Hawaii Revised Statutes, an unfair or deceptive act or practice subject to enhanced penalties under Chapter 480, Hawaii Revised Statutes, to:
 - (A) Specify the types of violations under Chapter 667 that constitute unfair or deceptive acts or practices;
 - (B) Limit the types of violations that may void a title transfer of foreclosed property; and
 - (C) Establish a time limit for filing actions to void title transfers of foreclosed property;
- (2) Repealing the nonjudicial foreclosure process under Part I of Chapter 667, Hawaii Revised Statutes, to provide for a single nonjudicial foreclosure process under Part II of that chapter;
- (3) Making permanent the process under Act 48, Session Laws of Hawaii 2011, for converting nonjudicial foreclosures of residential property to judicial foreclosures;
- (4) With regard to the temporary mortgage foreclosure dispute resolution program under Part V of Chapter 667, Hawaii Revised Statutes, for owner-occupants of residential property facing nonjudicial foreclosure:
 - (A) Making the program permanent by repealing its sunset date;
 - (B) Repealing the prohibition against participants of the program converting their nonjudicial foreclosure proceedings to judicial actions; and
 - (C) Streamlining the dispute resolution process;
- (5) With regard to condominium and planned community associations:
 - (A) Establishing an alternate power of sale process for the collection of unpaid assessments, modeled after the process set forth in Part II of Chapter 667, Hawaii Revised Statutes, as amended by the task force's recommendations;
 - (B) Placing a time limit on recorded liens for assessments, and prohibiting the foreclosure of liens arising solely from fines, penalties, legal fees, or late fees;
 - (C) Providing associations with notice of an owner-occupant's decision to participate in the mortgage foreclosure dispute resolution program; and
 - (D) Allowing associations to proceed with a nonjudicial foreclosure, notwithstanding a stay of foreclosure proceedings arising from a dispute resolution case opening, if the association has not been notified of the foreclosure action by the foreclosing mortgagee or of the dispute resolution case opening;
- (6) With regard to planned community associations organized under Chapter 421J, Hawaii Revised Statutes:

- (A) Providing these associations with the same options and protections as condominium associations with regard to association liens for assessments and the collection of unpaid assessments from tenants or rental agents; and
 - (B) Exempting these associations from the requirements of the mortgage foreclosure dispute resolution program and the process allowing owner-occupants to convert nonjudicial foreclosures to judicial foreclosures, to parallel the existing exemptions for condominium associations; and
- (7) Clarifying, improving, and correcting provisions of Act 48, Session Laws of Hawaii 2011, relating to mortgage foreclosures.

Your Committee finds that Act 162, Session Laws of Hawaii 2010, established the Mortgage Foreclosure Task Force to recommend policies and procedures to improve the way mortgage foreclosures are conducted in the State. Act 162 required the task force to submit its findings and recommendations, including any proposed legislation, to the Legislature for the regular sessions of 2011 and 2012.

Some of the task force's initial recommendations in its report to the Legislature for the Regular Session of 2011 were included in Act 48, Session Laws of Hawaii 2011, a far-reaching mortgage foreclosure reform measure.

This measure implements the recommendations in the task force's final report to the Legislature for the Regular Session of 2012, along with other best practices, to further improve the mortgage foreclosures law, as amended by Act 48, and address related issues affecting homeowner association liens and the collection of unpaid assessments.

Your Committee acknowledges the concerns raised regarding whether a two-year expiration date for recorded association liens would provide condominium and planned community associations sufficient time to act on these liens. This may be particularly problematic for planned community associations, which seldom rush to foreclose upon a recorded lien because the dollar amounts at stake are typically low and do not justify incurring the expense of foreclosure. Your Committee was informed that it is not uncommon for large planned community associations to have low annual assessments, such that lien debt accrues slowly for these associations. If planned community associations are forced to foreclose before the lien expires within two years, many of these associations could either face incurring thousands of dollars in attorneys' fees and costs to foreclose on debts of a few hundred dollars or less or risk losing their liens.

Your Committee also notes concerns that prohibiting association foreclosures of liens against a unit that arise solely from fines, penalties, legal fees, or late fees would remove a key tool for collecting on debts that otherwise would have to be borne by the entire membership of the association.

Further, your Committee believes that certain amendments made by this measure to nonjudicial foreclosure processes should also be applied to judicial foreclosures for purposes of equity and fairness. These amendments concern:

- (1) Providing for unit owner payment plans to avoid association foreclosures; and
- (2) Allowing notices of public sale to be published in a wider variety of newspapers or, if the subject property is owned by an owner-occupant, posted on a website maintained by the Department of Commerce and Consumer Affairs;

Accordingly, your Committee has further amended this measure by:

- (1) With regard to condominium and planned community association liens:
 - (A) Extending the time limit for recorded association liens for unpaid assessments from two years to six years, and providing that the recorded lien will not expire if proceedings to enforce the lien are instituted prior to the end of the six-year time period;
 - (B) Clarifying that the expiration of a recorded association lien does not affect liens that automatically arise pursuant to law or the governing documents of the association;
 - (C) Specifying that proceedings to enforce an association's lien for any assessment must be instituted within six years after the assessment became due, except that if the unit owner files for bankruptcy, the period of time for instituting proceedings shall be tolled until thirty days after the automatic stay of proceedings under the federal bankruptcy laws is lifted;
 - (D) In light of the time limit for recorded association liens, deleting the provisions establishing a process for unit owners to request or sue an association for the release of recorded liens upon full satisfaction of the recorded lien and discharge of any secured debt; and
 - (E) Applying the prohibition against association foreclosures of liens that arise solely from fines, penalties, legal fees, or late fees to nonjudicial foreclosures only. Accordingly, this amendment allows only judicial foreclosures of these liens as supervised by the courts;
- (2) With regard to judicial foreclosures:
 - (A) Establishing processes for unit owners to avoid association foreclosures of liens for assessments by curing the default or submitting a payment plan, similar to the processes for nonjudicial foreclosures under this measure;
 - (B) Incorporating the notice of public sale publication requirements and options already provided for nonjudicial foreclosures in this measure; and
 - (C) Incorporating a provision from the H.D. 2 version of this measure, as received by your Committee, that requires attorneys filing a judicial foreclosure action for residential property to sign and submit an affirmation that the attorney has verified the accuracy of the documents submitted in the filing, under penalty of perjury and subject to applicable rules of professional conduct;

- (3) Revising for accuracy the portion of the public information statement required under section 667-41(b), Hawaii Revised Statutes, as amended by this measure, describing the distribution of sale proceeds in nonjudicial foreclosures and the ability of foreclosing mortgagees to collect on any deficiency of the proceeds to satisfy the debt;
- (4) Changing the effective date to June 30, 2020, to facilitate further discussion on this 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1875, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1875, 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 (Slom).

SCRep. 2946 (Joint) Water, Land, and Housing and Judiciary and Labor on H.B. No. 2591

The purpose and intent of this measure is to clarify that land accreted after May 20, 2003, shall be public land except as otherwise provided by law.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and Attorney General.

According to testimony of the Department of Land and Natural Resources, on May 19, 2005, a class action lawsuit was filed contending that Act 73, Session Laws of Hawaii 2003, affected a constitutional "taking" of accreted land belonging to oceanfront owners and that the State must pay just compensation for the land taken. The courts ruled that accretion occurring after May 20, 2003, could become public land without affecting any privately owned vested rights. Accordingly, this measure clarifies that the State's accretion laws only affects land that is accreted after May 20, 2003.

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 are in accord with the intent and purpose of H.B. No. 2591, H.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ihara, Slom).

SCRep. 2947 (Joint) Water, Land, and Housing and Judiciary and Labor on H.B. No. 2589

The purpose and intent of this measure is to clarify the law regarding determination of certain vessels as abandoned vessels and the disposition of abandoned vessels.

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 City and County of Honolulu Department of Customer Services, County of Maui Department of Environmental Management, City and County of Honolulu Department of Parks and Recreation, and two Maui councilmembers.

Your Committees find that current statutes place the burden of disposal of all abandoned vessels on the Department of Land and Natural Resources (Department), regardless of the location of the abandoned vessels on private land or on public land under the jurisdiction of a county or state agency. The Department has the capacity to remove vessels off reefs but not on public streets or other fast lands, as such removal is time-consuming and financially burdensome. This measure clarifies that the Department is responsible for only those abandoned vessels on lands and waters under its jurisdiction.

Due to the concerns expressed regarding the additional financial burden imposed on the counties by this measure, your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure further discussion; and
- (2) 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 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. 2589, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2589, 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 (Fukunaga, Ihara, Slom).

SCRep. 2948 (Joint) Energy and Environment and Water, Land, and Housing on H.B. No. 2593

The purpose and intent of this measure is to authorize state and county agencies to adopt, amend, or repeal administrative rules, without prior notice or hearing or upon an abbreviated notice and hearing, due to imminent peril to natural resources.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Coordinating Group on Alien Pest Species, and The Nature Conservancy. Your Committees received comments on this measure from the Land Use Research Foundation of Hawaii.

Your Committees find that state and county agencies are authorized to adopt, amend, and repeal administrative rules, exempt from certain notice and hearing requirements, in emergency situations of imminent peril to the public health, safety, or morals, or to

livestock and poultry health. Hawaii's imperiled natural resources warrant similar consideration, in part because Hawaii's tourism-driven economy relies heavily on natural resources to attract visitors.

Your Committees note that state and county agencies were powerless to adopt emergency administrative rules relating to coqui frogs and axis deer. Consequently, the spread of these species has caused significant damage to natural resources and the economy as a whole.

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 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. 2593, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2593, 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, 8. Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

SCRep. 2949 Energy and Environment on H.B. No. 425

The purpose and intent of this measure is to lower and stabilize electricity costs by requiring the Public Utilities Commission, in exercising its authority and duties, to:

- (1) Consider the need for a diverse fuel portfolio; and
- (2) Maximize the efficiency of electric utility assets.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Public Utilities Commission; and Sierra Club.

Your Committee finds that mitigating the impact of the price volatility of fossil fuel will lower and stabilize electricity prices. Price volatility for fossil fuels, such as heavy low sulfur fuel oil and diesel, contributes to the high cost of energy in Hawaii. Your Committee also finds that this measure proposes a strategy aimed at stabilizing energy costs in Hawaii.

Your Committee has amended this measure by:

- (1) Deleting the purpose section of the measure;
- (2) Clarifying that the Public Utilities Commission is required to consider the costs and benefits of a diverse energy portfolio, rather than a diverse fuel portfolio; 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. 425, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 425, H.D. 3, 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 (Green, Slom).

SCRep. 2950 Energy and Environment on H.B. No. 1726

The purpose and intent of this measure is to continue to provide monies for the development of an integrated approach to and portfolio management of renewable energy and energy efficiency technology projects, by extending the repeal date of the energy systems development special fund to June 30, 2015.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Public Utilities Commission; and Hawai'i Natural Energy Institute.

Your Committee finds that energy efficiency technology projects position Hawaii as a leader in clean energy in the Pacific. The projects supported by the energy systems development special fund include the Oahu Wind Integration Study, Japan-Hawaii smart-grid demonstration, and discussions with Korea regarding smart-grid technology. These projects contribute to renewable energy development and Hawaii's economy as a whole.

Your Committee has amended this measure by:

- (1) Clarifying in the purpose section that this measure also extends the repeal date of the periodic evaluation and plan of action requirements for the energy systems development special fund, which were enacted by Act 253, Session Laws of 2007;
- (2) Changing the effective date to June 29, 2012; 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 H.B. No. 1726, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1726, 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 (Green, Slom).

SCRep. 2951 Energy and Environment on H.B. No. 2740

The purpose and intent of this measure is to maintain the reduced cost of electricity generation fueled by naphtha by extending the sunset date of the reduced fuel license tax rate on naphtha used in a power-generating facility to December 31, 2015.

Your Committee received testimony in support of this measure from the Public Utilities Commission and Kauai Island Utility Cooperative. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that if the fuel license tax rate on naphtha fuel is allowed to increase, the price of electricity will follow. The fuel license tax rate for naphtha is scheduled to increase more than tenfold on December 31, 2012. This measure would prevent this unwarranted increase in the tax rate.

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. 2740, 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. 2952 (Joint) Hawaiian Affairs and Water, Land, and Housing on H.B. No. 2806

The purpose and intent of this measure is to protect Hawaii's environment, to promote sustainability in Hawaii, and to preserve the Hawaiian culture by:

- (1) Establishing the Aha Moku Advisory Committee within the Department of Land and Natural Resources; and
- (2) Authorizing the Committee to advise the Chairperson of the Board of Land and Natural Resources on issues related to land and natural resources management.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs; Oahu Council, Association of Hawaiian Civic Clubs; Ko'olaupoko Hawaiian Civic Club; and Maunaloa Hawaiian Civic Club. Your Committees received testimony in opposition to this measure from the Association of Hawaiian Civic Clubs. Your Committees received comments on this measure from the Department of Land and Natural Resources and Department of Hawaiian Home Lands.

Your Committees find that the aha moku system protected the environment and sustained Hawaii's resources for thousands of years. The aha moku system acknowledges the natural contours of land, the specific resources located within specific areas, and the methodology necessary to sustain resources and the community.

Your Committees note that concerns have been expressed about placing the Aha Moku Advisory Committee within the Department of Land and Natural Resources. The purposes of the Aha Moku Advisory Committee are similar to the purposes for which the Office of Hawaiian Affairs was created.

Accordingly, your Committees have amended this measure by:

- (1) Deleting its contents and replacing them with the contents of S.B. No. 3053, S.D. 2, which:
 - (A) Places the Aha Moku Advisory Committee within the Office of Hawaiian Affairs for administrative purposes;
 - (B) Authorizes the Aha Moku Advisory Committee to advise the Chairperson of the Board of Trustees of the Office of Hawaiian Affairs on matters relating to land and natural resource management;
 - (C) Appropriates an unspecified amount out of general funds to be expended by the Office of Hawaiian Affairs for the administrative costs of the Aha Moku Advisory Committee; and
 - (D) Inserts a new part establishing a quorum requirement for meetings of Island Burial Councils; and
- (2) Changing the effective date to July 1, 2012.

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. 2806, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2806, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Kidani, Tokuda).

SCRep. 2953 (Joint) Hawaiian Affairs and Public Safety, Government Operations, and Military Affairs on H.B. No. 2529

The purpose and intent of this measure is to:

- (1) Exempt expenditures and procurements of less than \$250,000 made from the Hawaiian home receipts fund, the Hawaiian home trust fund, the native Hawaiian rehabilitation fund, and the Hawaiian home administration account from the Hawaii Public Procurement Code, chapter 103D, Hawaii Revised Statutes, under certain conditions; and
- (2) Require the Department of Hawaiian Home Lands to annually report to the Legislature solicitations of goods, services, and construction, types of procurements, and awardees.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Office of Hawaiian Affairs, Sovereign Councils of the Hawaiian Homelands Assembly, and Association of Hawaiian Civic Clubs. Your Committees received testimony in opposition to this measure from the State Procurement Office and Aupuni O Hawaii.

Your Committees find that the Hawaii Public Procurement Code requires most businesses that bid for a procurement award to use the Hawaii Electronic Procurement System. This requirement causes delays when companies that have the ability to perform the work cannot successfully navigate the online procurement system. Delaying repair and maintenance work on Hawaiian Home Lands adversely impacts the quality of life for residents of Hawaiian home lands.

Your Committees have amended this measure by:

- (1) Decreasing the maximum value of expenditures and procurements from the Hawaiian home receipts fund, the Hawaiian home trust fund, the native Hawaiian rehabilitation fund, and the Hawaiian home administration account that are exempt from the Hawaii Public Procurement Code, from \$250,000 to \$100,000;
- (2) Changing the effective date to July 1, 2012, with a repeal date of June 30, 2015; 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 Hawaiian 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. 2529, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2529, 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, 4 (Baker, English, Hee, Slom).

SCRep. 2954 (Joint) Hawaiian Affairs and Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on H.B. No. 2848

The purpose and intent of this measure is to reestablish native Hawaiian cultural practices to reduce recidivism, prevent crime, and ensure long-term positive changes by:

- (1) Establishing a wellness center task force within the Legislature to move forward with the concept of a *pu'uhonua*, or wellness center; and
- (2) Requiring the task force to establish a location for the *pu'uhonua* on lands owned or controlled by the State, with preference given to the site formerly used as the Kulani Correctional Facility in East Hawaii.

Your Committees received testimony in support of this measure from the Department of Public Safety; Association of Hawaiian Civic Clubs, Oahu Council; Na Maka O Ka 'Aina; Buddhist Peace Fellowship, East Hawaii Chapter; Community Alliance on Prisons; Malu 'Aina Center for Non-violent Education & Action; 'Ohana Ho'opakele; Na Kupuna Moku O Keawe; and twenty-three individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources; Department of Hawaiian Home Lands; and Office of Hawaiian Affairs.

Your Committees find that a *pu'uhonua* – which is defined in Pukui and Elbert's Hawaiian Dictionary (1986) as a “place of refuge, sanctuary, asylum, place of peace and safety” – would help redirect the lives of incarcerated individuals. Your Committees also find that a work release pilot program would provide similar benefits to incarcerated individuals. Such a program will cultivate the work ethic of the individuals in the program, making their reentry into society less traumatic.

Your Committees have amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 3016, S.D. 2, which:
 - (A) Requires the Department of Public Safety, in cooperation with 'Ohana Ho'opakele and other restorative justice groups, to prepare a plan for the creation of a *pu'uhonua* on lands owned or controlled by the State, with preference for the site of the *pu'uhonua* given to the former Kulani Correctional Facility site;
 - (B) Requires the Department of Public Safety to submit a report to the Legislature on its plan, findings, and recommendations, including the factors used in determining site selection, no later than twenty days prior to the convening of the Regular Session of 2013;
 - (C) Creates a work release pilot program on the Big Island to allow certain incarcerated individuals to work on community projects that benefit the local community and the State; and
 - (D) Requires the Department of Land and Natural Resources to collaborate with the Department of Public Safety to identify potential community projects on the Big Island that may benefit from inclusion in the pilot program; and
- (2) Changing the effective date to upon approval; provided that the work release pilot program is repealed on June 30, 2015.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs 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. 2848, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2848, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 5 (English, Fukunaga, Hee, Slom, Tokuda).

SCRep. 2955 (Joint) Hawaiian Affairs and Public Safety, Government Operations, and Military Affairs on H.B. No. 2181

The purpose and intent of this measure is to amend the deadline to file nomination papers associated with the filing of a vacancy in the membership of the Board of Trustees of the Office of Hawaiian Affairs.

Your Committees received testimony in support of this measure from the Office of Elections; Office of the County Clerk, County of Maui; Office of the County Clerk, County of Kauai; and Sovereign Councils of the Hawaiian Homelands Assembly. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that the intent of this measure is to ensure compliance with the provisions of 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 forty-five days prior to an election.

As affirmed by the records of votes of the members of your Committees on Hawaiian 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. 2181, 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, 7. Noes, none. Excused, 3 (English, Hee, Slom).

SCRep. 2956 Human Services on H.B. No. 1905

The purpose and intent of this measure is to allow the Department of Human Services to draw from other funds appropriated to the Department in the event the General Assistance appropriation is insufficient to meet General Assistance benefits payments.

Prior to the hearing, your Committee posted a proposed S.D. 1 of this measure for public review, which replaced the contents of this measure with language that:

- (1) Allows the Department of Human Services to draw from other funds appropriated to the Department of Human Services in the event the general assistance appropriation is insufficient to meet General Assistance benefits payments;
- (2) Appropriates monies from the general fund to maintain funding levels of various programs for public welfare;
- (3) Appropriates funds for an unspecified number of positions under the Department of Human Services for the Supplemental Nutrition Assistance Program;
- (4) Requires financial institutions to report suspected financial abuse of an elder to the appropriate police department under certain conditions;
- (5) Establishes the Hawaii Interagency Council on Homelessness in statute, to be repealed on June 30, 2022;
- (6) Authorizes the Department of Human Services to place on its public website information and printable posters on the National Human Trafficking Resource Center Hotline;
- (7) Creates a task force on human trafficking and specifies the task force's membership and duties;
- (8) Allows a community care foster family home to have six months to find another Medicaid client, without suspension or revocation of its certificate of approval, when the community care foster family home loses its only Medicaid client and upon other conditions;
- (9) Requires the Department of Human Services to adopt rules to mandate that the minimum age requirement for nurse aide substitute caregivers be consistent with federal law, which is eighteen years;
- (10) Requires the Department of Human Services and several collaborators to develop a methodology for determining the level of acuity of Medicaid nursing facility residents to set reimbursements at fair and equitable levels; and
- (11) Requires the Department of Human Services to work with the Department of Health to develop an equitable referral system that provides for the discharge of patients from various facilities based on their acuity level and the proper placement of these patients in other care facilities.

Your Committee received testimony in support of the proposed S.D. 1 from Adult Friends for Youth; Alliance of Residential Care Administrators; Big Island Adult Residential Care Home; Blueprint for Change; Catholic Charities Hawai'i; Hawaii Medical Association; Susannah Wesley Community Center; Hawaii Substance Abuse Coalition; IMUAlliance; Parents and Children Together; Pacific Alliance to Stop Slavery; PHOCUSED; The Children's Alliance of Hawaii, Inc.; University of Hawai'i System; and two individuals. Your Committee received comments on this measure from the Department of Human Services and one individual.

Your Committee finds that:

- (1) If the Department of Human Services' General Assistance (HMS 204) appropriation is insufficient to meet General Assistance benefits payments, allowing the Department to draw from other funds will assist the Department in minimizing the fluctuation of the benefit amounts individuals receive;
- (2) Programs and efforts determined to be essential to the public welfare require financial support to maintain operability;
- (3) The Department of Human Services will require additional staff in order to effectively carry out the United States Department of Agriculture's mandate to amend Supplemental Nutrition Assistance Program income eligibility requirements;
- (4) Part II of S.B. No. 2314, S.D. 2, which was previously passed by the Senate, contains language that:
 - (A) Amends the entity to which financial institutions shall report financial abuse of an elder from the appropriate police department to an appropriate local law enforcement agency;

- (B) Deletes language allowing financial institutions to determine when to report suspected cases of financial abuse of an elder to the Department of Human Services;
- (C) Deletes the definition of “department”; and
- (D) Amends the definition of “elder” as it applies in chapter 708 and section 412-114.5, Hawaii Revised Statutes, to mean a person who is sixty, rather than sixty-two years of age or older.

Therefore, your Committee concludes that the language in S.B. No. 2314, S.D. 2, part II is preferable;

- (5) S.B. No. 2804, S.D. 2, which was heard by the House Committee on Human Services, contains language that establishes a task force that will bring together a wide cross section of the community to provide the necessary perspective and expertise to develop overall strategies to prevent and end homelessness. Your Committee concludes that the language in S.B. 2804, S.D. 2, is preferable because it contains language that gives direction to members who are unable to attend a meeting and includes language that excludes members from chapter 84, Hawaii Revised Statutes;
- (6) Allowing the Department of Human Services to post on its public website posters on the National Human Trafficking Resource Center Hotline will assist in reporting and preventing further incidents of trafficking;
- (7) Establishing a task force to develop a comprehensive plan for survivors of human trafficking will help alleviate current gaps in services for this population. However, additional stakeholders may desire to be a member of the task force;
- (8) According to the Department of Human Services’ testimony, to date, there have been no community care foster family home closures as a result of the home not having a Medicaid client in residence. As long as the operator of the community care foster family home can demonstrate the active pursuit of obtaining a Medicaid client referral, the home will not be closed or cited as having violated home certification requirements. The relevant language included in this measure is therefore unnecessary;
- (9) S.B. No. 2120, S.D. 1, H.D. 1, which was previously jointly heard by the House Committee on Human Services and House Committee on Health, increases the payment for primary care physician services provided to children and pregnant women covered under the children’s health insurance program to be equal to such reimbursement provided to Medicaid recipients. Your Committee notes that at the beginning of January 1, 2013, the Patient Protection and Affordable Care Act of 2010 will mandate that states reimburse primary care providers at one hundred per cent of Medicare rates for primary care services provided to Medicaid recipients. However, this mandate excludes primary care services provided to children’s health insurance program recipients, namely children and pregnant women. Your Committee concludes that this measure should be amended to include language similar to S.B. No. 2120, S.D. 1, H.D. 1;
- (10) Acute care hospitals require more fair and equitable compensation to continue providing services to Medicaid patients and a fair and equitable referral system to transfer clients from hospitals to community-based care homes; and
- (11) S.B. No. 2798, S.D. 2, which was heard by the House Committee on Human Services, requires all commercial health care insurers operating in Hawaii to share with the department of human services, on a timely basis, a listing of their members for Medicaid eligibility determination. Your Committee notes that requiring commercial health care insurers operating in Hawaii to share with the Department of Human Services, a listing of their members for Medicaid eligible determination will improve Medicaid program integrity and ensure that Medicaid is the payor of last resort and that funding for the Medicaid program is used to provide health insurance coverage to those who really need it.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 1 and further amending this measure by:

- (1) Deleting language from section 20 that appropriated funds for a grant to PATCH (People Attentive to Children) and inserting language to appropriate those funds to the Department of Human Services for the preschool open doors program;
- (2) Replacing the contents of part IV with the contents of S.B. No. 2314, S.D. 2, part II;
- (3) Replacing the contents of part V with the contents of S.B. No. 2804, S.D. 2;
- (4) Adding language to section 29 to provide the Director of Human Services or the Director’s designee the discretion to include additional task force members as the Director or the Director’s designee deems appropriate;
- (5) Deleting the contents of part VIII and inserting similar language from S.B. No. 2120, S.D. 1, H.D. 1;
- (6) Inserting new language that requires all commercial health care insurers operating in Hawaii to provide the Department of Human Services a quarterly report listing its members for a cross-reference check of prospective and current Medicaid beneficiaries; and
- (7) Adding language that makes part VIII effective on July 1, 2050.

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. 1905, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1905, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3, Ayes with Reservations (Green). Noes, none. Excused, 1 (Slom).

SCRep. 2957 Human Services on H.B. No. 46

The purpose and intent of this measure is to improve the living environment in public housing projects and state low-income housing projects by:

- (1) Prohibiting smoking in the enclosed or partially enclosed common areas of public housing projects and state low-income housing projects;
- (2) Permitting the eviction of a tenant, licensee, or other occupant upon a third violation of the requirements of this measure; and
- (3) Requiring the Hawaii Public Housing Authority to adopt rules to expand the areas to which the smoking prohibition shall apply.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Public Housing Authority, YWCA, and five individuals. Your Committee received comments on this measure from the Coalition for a Tobacco-Free Hawai'i.

Your Committee finds that according to the United States Surgeon General, there is no safe level of secondhand smoke and breathing even a little secondhand smoke can be dangerous. However, Hawaii's existing smoke-free workplace and public places law pursuant to chapter 328J, Hawaii Revised Statutes, excludes private residents, including public housing projects and state low-income housing projects.

Your Committee notes that according to the testimony of the Hawaii Public Housing Authority, the Authority would prefer to leave the determination of expanding smoking prohibitions, particularly through the adoption of administrative rules, within the Resident Advisory Board's purview to allow the Board to exercise its governance in the development of such policies. Furthermore, your Committee finds it preferable to give the Authority broad discretion to implement a smoking prohibition policy through the adoption of administrative rules. In doing so, it is the intent of your Committee to enable the Hawaii Public Housing Authority to incrementally phase in a smoking prohibition policy that incorporates a multi-faceted approach to the cessation of smoking. The Authority may then seek the assistance and participation of the Department of Health, the Resident Advisory Board, property management staff, the public, and the tenants that may be directly impacted by this policy in order to make all public housing projects and complexes smoking-free.

Your Committee has therefore amended this measure by:

- (1) Deleting the language that statutorily prohibited smoking in enclosed or partially enclosed common areas of any public housing project or state low-income project;
- (2) Deleting the language that permitted the eviction of a tenant, licensee, or other occupant upon a third violation of the requirements of this measure;
- (3) Replacing the language that required the Hawaii Public Housing Authority to adopt rules to expand the areas to which the smoking prohibition shall apply with language providing the Authority with the discretion to adopt rules to prohibit smoking throughout any public housing project and state low-income housing project; and
- (4) Changing the effective date from January 7, 2059, to January 1, 2050, to ensure 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. 46, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 46, 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. 2958 (Joint) Human Services and Health on H.B. No. 2274

The purpose and intent of this measure is to ensure access to health care for Medicaid recipients by establishing a nursing facility sustainability fee and special fund in which nursing sustainability fees shall be deposited in order to receive federal Medicaid matching funds under the QUEST Expanded Medicaid Section 1115 Demonstration Waiver.

Your Committees received testimony in support of this measure from the Department of Human Services, Hale Makua Health Services, Hawaii Health Systems Corporation, Hawaii Long Term Care Association, Healthcare Association of Hawaii, and United Self Help. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that Medicaid is a critical component of Hawaii's health care system because it pays for medical care for more than one in five Hawaii residents. However, Medicaid reimbursements to nursing facilities are less than the actual costs facilities incur in providing care to Medicaid patients. On average, Hawaii's Medicaid program pays nursing facilities \$7 to \$8 less than the actual costs of care per patient per day. With Medicaid patients representing seventy percent of all nursing facility patients, nursing facilities incur substantial losses annually.

Your Committees also find that states commonly use provider assessments to leverage federal funds through Medicaid. This measure would establish a provider fee to allow the State to obtain additional federal matching funds that will reduce the amount of losses incurred by nursing facilities.

Your Committees have amended this measure by:

- (1) Changing the effective date from July 1, 2030, to January 1, 2050, to ensure 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2274, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2274, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 2 (Nishihara, Slom).

SCRep. 2959 Human Services on H.B. No. 2415

The purpose and intent of this measure is to improve the efficiency of the Medicaid system by:

- (1) Requiring certain Medicaid recipients to pay a copayment for prescription drugs covered under the recipients' Medicaid benefits in accordance with a Medicaid prescription drug benefit copayment program, to be developed by the Department of Human Services;
- (2) Waiving the copayment for prescription drugs for recipients under nineteen years of age, terminally ill recipients certified at hospice level of care, and recipients in nursing homes or in home- or community-based settings that provide a certified intermediate care facility or skilled nursing facility level of care, or recipients who are pregnant; and
- (3) Requiring the Department of Human Services to seek the approval of the Centers for Medicare and Medicaid Services prior to the establishment and implementation of the Medicaid prescription drug benefit copayment program.

Your Committee received testimony in support of this measure from the State Rehabilitation Council and the Hawaii Medical Service Association. Your Committee received testimony in opposition to this measure from the Hawai'i Primary Care Association, Ho'ola Lahui Hawai'i, the Moloka'i Community Health Center, United Self Help, the Waikiki Health Center, and the Waimanalo Health Center. Your Committee received comments on this measure from the Department of Human Services, Office of Hawaiian Affairs, Arc of Kona, Hawaii Pharmacists Association, Kaiser Permanente, and four individuals.

Your Committee finds that the intent of this measure is to offset costs associated with pharmaceuticals and to share costs with patients who are on Medicaid. However, your Committee also finds that this measure would be burdensome for Medicaid recipients and on the Department of Human Services. Medicaid recipients are already financially challenged and may decide to forgo necessary treatment as a result of this measure. According to the Department's testimony, imposing copayments would require the Department to secure a waiver from the Centers for Medicare and Medicaid and require the Department to make substantial modifications to the Med-QUEST software and current health plans system.

Your Committee has therefore amended this measure by deleting its contents and inserting language to:

- (1) Establish a joint legislative task force to assist the Department of Human Services in the development and implementation of a Medicaid buy-in program for working individuals with disabilities based on Hawaii's current Medicaid income and asset limits;
- (2) Require the joint legislative task force to submit a final report of its findings, program recommendations, and proposed legislation, if any, to the Legislature; provided that the task force submit its proposed program to the Centers for Medicare and Medicaid Services for approval; and
- (3) Require the Department of Human Services to design and implement the Medicaid buy-in program for working individuals with disabilities by July 1, 2014.

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. 2415, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2415, 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. 2960 Human Services on H.B. No. 1689

The purpose and intent of this measure is to implement the long-term care partnership program, which allows individuals to receive a dollar for dollar asset disregard for benefits paid under certain long-term care insurance plans, to help these individuals qualify for Medicaid benefits.

Your Committee received testimony in support of this measure from the American Council of Life Insurers, National Association of Insurance and Financial Advisors Hawaii, and United Self Help. Your Committee received testimony in opposition to this measure from the Department of Human Services and Policy Board for Elder Affairs. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that the Legislature passed Act 233, Session Laws of Hawaii 2007, which enabled the State to establish the long-term care partnership program as provided in title VI, section 6021 of the Federal Deficit Reduction Act of 2005, P.L. 109-171. This measure, as currently drafted, codifies the long-term care partnership program and implements the program authorized by Act 233, Session Laws of Hawaii 2007. The partnership program allows people to preserve some of their assets and still qualify for Medicaid by purchasing a "partnership" long-term care policy or exchanging an existing policy for a partnership policy. According to testimony, although the House Committee on Finance, which previously heard and passed this measure, requested in Standing Committee Report No. 877-12 that the asset disregard proposed by this measure be reduced to a dollar for fifty cents disregard, this reduction would violate the Deficit Reduction Act, which requires a dollar for dollar asset disregard. Therefore, your Committee concludes that there should be no change in the dollar for dollar asset disregard language.

Your Committee also notes the Department of Human Services' opposition to this measure. According to the Department's testimony, other states have found that the implementation of partnership programs did not produce the intended results of increasing the number of people who purchased long-term care insurance. The Department also cited the United States General Accountability Office's June 2007 report, which concluded that partnership programs do not result in savings for Medicaid.

Your Committee also notes that according to the testimony of the Department of the Attorney General, this measure would allow an individual to be eligible for Medicaid benefits by disregarding all of the individual's assets. This provision would be rendered ineffective as federal law exempts disregarding certain assets for the purpose of determining Medicaid eligibility.

Your Committee finds that several measures – S.B. No. 2306, S.D. 2; S.B. No. 2308, S.D. 2; and S.B. No. 2321, S.D. 2 – which were previously passed by the Senate, also address various issues regarding long-term care and should also be included in this measure.

Your Committee has amended this measure by:

- (1) Clarifying that an individual who was initially disqualified from receiving Medicaid benefits would be able to receive the benefits under the long-term care partnership program;
- (2) Deleting language that would potentially exempt all of the assets of an individual who has a qualified long-term care insurance policy, rather than the assets equal to the amount of the benefits paid under the policy;
- (3) Inserting language from S.B. No. 2321, S.D. 2, which:
 - (A) Establishes a task force to build on prior long-term care legislation by contracting for an actuarial analysis to ascertain if there is public sentiment for a mandatory tax to implement a long-term care insurance program for residents of Hawaii; and
 - (B) Appropriates funds for travel expenses of the task force and for the actuarial analysis;
- (4) Inserting language from S.B. No. 2308, S.D. 2, which requests and appropriates funds to the Executive Office on Aging of the Department of Health to conduct an education and awareness campaign on long-term care and have the campaign evaluated;
- (5) Inserting language from S.B. No. 2306, S.D. 2, which undertakes transforming Hawaii's health care system by:
 - (A) Establishing and directing a long-term care task force to determine the feasibility of consolidating state long-term care programs and services under a single department or agency and the details of such a consolidation; and
 - (B) Establishing the position of Deputy Healthcare Transformation Coordination within the Office of the Governor to coordinate state activities on long-term care relating to financing, access, service delivery, and quality assurance;
- (6) Changing the effective date from July 1, 2012, to July 1, 2050, to ensure 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1689, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1689, 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. 2961 (Joint) Public Safety, Government Operations, and Military Affairs and Health on H.B. No. 1874

The purpose and intent of this measure is to add one state Representative and one state Senator, each from a district that is impacted by vog to be selected by the Speaker of the House of Representatives and President of the Senate, respectively, to serve as members of the Interagency Task Force on Vog.

No testimony was submitted on this measure.

Act 229, Session Laws of Hawaii 2011, established within the civil defense agency of a county with an active volcano from which vog emanates, an Interagency Task Force on Vog. The task force is required to 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 make recommendations to the Legislature to address any issue the task force determines is feasible to address. Your Committees find that representation on the task force by a Representative and a Senator is an invaluable contribution to the work of the task force.

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 H.B. No. 1874, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Chun Oakland, Kidani, Shimabukuro, Slom).

SCRep. 2962 (Majority) Public Safety, Government Operations, and Military Affairs on H.B. No. 2122

The purpose and intent of this measure is to:

- (1) Authorize the Governor or the mayor of a county, under certain specified conditions, to exempt a procurement for a construction or design-build contract from protest and administrative review of a nonresponsible offeror determination, under certain conditions; and
- (2) Clarify that information regarding procurements that are exempt pursuant to this measure shall not be exempt from confidentiality requirements if that information is required to be made public by this measure.

Your Committee received testimony in support of this measure from the Department of Transportation. Your Committee received testimony in opposition to this measure from the State Procurement Office; Associated Builders and Contractors Inc., Hawaii Chapter; General Contractors Association of Hawaii; and BIA-Hawaii.

Your Committee finds that procurement code protests of awards have delayed the awarding of construction and design-build projects. Both types of projects have high economic multipliers. Thus, the Governor or a county mayor, as applicable, should have the

authority for two years to exempt the procurement of these contracts from protests and administrative review of nonresponsible offeror determinations.

The intent of your Committee is to authorize a temporary procurement exemption from the procurement code provisions pertaining only to protests and administrative review of nonresponsible offeror determinations. Because the exemption provided by this measure is so extraordinary, your Committee finds that the public must be ensured of the integrity of the process and actions under an exempt procurement. Public confidence may be achieved by ensuring that the public has access to all information concerning the procurement, except trade secrets and other proprietary data.

Your Committee has amended this measure by:

- (1) Decreasing the term of the temporary exemption from two years to one year;
- (2) Changing the effective date to July 1, 2050, to ensure 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 H.B. No. 2122, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2122, H.D. 2, S.D. 1, and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Baker, Kidani). Noes, 1 (Slom). Excused, none.

SCRep. 2963 Public Safety, Government Operations, and Military Affairs on H.B. No. 2265

The purpose and intent of this measure is to amend the sunset provisions of Act 175, Session Laws of Hawaii 2009 (Act 175), relating to the Hawaii Public Procurement Code, to make permanent:

- (1) The small purchases threshold of \$100,000 for goods or \$250,000 for construction and to require performance bond security for construction projects greater than \$50,000; and
- (2) Provisions relating to keeping statistics on protested procurement solicitations and awards, procedures for administrative review proceedings including the forty-five day limit to issue a written decision, and procedures for judicial review including a thirty-day limit for the circuit court to issue a decision.

Your Committee received testimony in support of this measure from the Department of Transportation; City and County of Honolulu Department of Budget and Fiscal Services; Kauai Department of Finance; Subcontractors Association of Hawaii; Sheet Metal Contractors Association; and Electrical Contractors Association of Hawaii. Comments were received from the Hawaii Building and Construction Trades Council, AFL-CIO.

Your Committee finds that certain sections of Act 175 need to be made permanent for the sake of allowing more expeditious execution of procurements, especially procurements funded in part by federal stimulus funding.

Your Committee has amended this measure by:

- (1) Changing the effective date to 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 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. 2265, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2265, 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. 2964 Public Safety, Government Operations, and Military Affairs on H.B. No. 2358

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

- (1) Establish a Natural Disaster Preparedness Commission and provide for its duties and composition;
- (2) Rename the State Building Code and Design Standards to the Hawaii State Building Code;
- (3) Repeal the definition of "hurricane restrictive criteria" in section 107-21, Hawaii Revised Statutes;
- (4) Rename the State Building Code Council to the Hawaii State Building Code Council, increase its membership from ten to eighteen members and reconstitute the membership, and clarify its duties;
- (5) Require the Hawaii State Building Code to consist of the 2012 International Building Code, as amended by the Council to remove any provisions that exceed minimum standards necessary to protect the public health and safety;
- (6) Require the governing body of each county to amend the Hawaii State Building Code within its respective jurisdiction with the approval of the Hawaii State Building Code Council;
- (7) Exempt all state building construction from the Hawaii State Building Code, regardless of the amount of time that has elapsed since the effective date of the Code;

- (8) Repeal certain provisions of the requirement that indigenous Hawaiian architecture be subject to the county's building code;
- (9) Specify that the Hawaii State Building Code Council shall have sole authority to determine whether or not to adopt the State Fire Code, which shall be proposed by the State Fire Council rather than automatically be included in the Hawaii State Building Code;
- (10) Repeal sections 46-19.5 and 46-19.7, Hawaii Revised Statutes, which required energy conservation standards for building design and construction and shower valve requirements to be incorporated into each county building code; and
- (11) Make an unspecified appropriation for the Hawaii State Building Code Council and Natural Disaster Preparedness Commission to carry out their respective duties.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation; General Contractors Association of Hawaii; and RMA Sales. Your Committee received testimony in opposition to this measure from numerous public agencies, private entities, and individuals. Your Committee received comments on this measure from The Plumbers and Fitters Union, Local 675; Subcontractors Association of Hawaii; American Council of Engineering Companies; Building Industry Association of Hawaii; International Association of Plumbing and Mechanical Officials; International Code Council; and one individual.

Your Committee believes that while this measure is well-intended, as evidenced by the testimony in support of and comments on all or some of the provisions, your Committee finds the overwhelming testimony in opposition, particularly with regard to the counties' home rule on building code matters.

Accordingly, your Committee has amended this measure by:

- (1) Deleting all sections except the portions of section 1 that establish the Natural Disaster Preparedness Commission ("Commission") and the Commission's duties and composition, and sections 13 and 14, which appropriate funds for the Hawaii State Building Code Council and the Commission to carry out their respective duties;
- (2) Requiring the Commission to meet not less than quarterly;
- (3) Making the Commission's duties permissive rather than mandatory;
- (4) Deleting the language requiring the Commission to submit written reports regarding scientific evaluations and proposed amendments to the Hawaii State Building Code;
- (5) Deleting language giving sole authority to the Hawaii State Building Code Council to determine whether to take action on the written reports;
- (6) Adding language requiring the Commission to review emergency responses and results of responses to natural disasters and make recommendations accordingly to the Hawaii State Building Code Council;
- (7) Changing the effective date to upon approval, with the appropriations to take effect on July 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 H.B. No. 2358, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2358, 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, none.

SCRep. 2965 Public Safety, Government Operations, and Military Affairs on H.B. No. 1671

The purpose and intent of this measure is to:

- (1) Require the State Procurement Office to keep statistics on solicitations and awards protested, including information on protests involving inadvertent errors and amounts forfeited from procurement protests, for the purpose of improving procurement procedures;
- (2) Authorize the chief procurement officer or designee, prior to the commencement of an administrative proceeding or an action in court, to settle and resolve a protest concerning the solicitation or award of a contract within ten business days after receipt of the protest; or, if the protest is not resolved by mutual agreement, to issue a decision in writing to uphold or deny the protest no later than twenty business days after receipt of the protest; and
- (3) Amend procedures for an administrative review of a written decision or order to assess administrative fines due to a violation of the procurement code or of a protest of the solicitation or award of a contract under the procurement code.

Your Committee received testimony in support of this measure from the Department of Transportation, City and County of Honolulu Department of Budget and Fiscal Services, General Contractors Association, Genba Hawaii, Inc., Healy Tibbitts Builders, Inc., The Pacific Resource Partnership, Royal Contracting Co., Ltd., Ralph S. Inouye Co., Ltd., LYZ, Inc., Hawaii Laborers-Employers Cooperation and Education Trust, and BIA-Hawaii. Testimony in opposition was received from the State Procurement Office. Your Committee received comments on this measure from Department of Commerce and Consumer Affairs Office of Administrative Hearings.

Your Committee finds that the intent of this measure is to simplify and expedite the procurement appeal process by recognizing the procuring agency's experience and expertise in the procurement process, while preserving the right of review of a procuring agency's decision by the Department of Commerce and Consumer Affairs.

Your Committee has amended this measure by:

- (1) Inserting language to amend section 103D-203, Hawaii Revised Statutes, to clarify the use of the terms “chief procurement officer” and “procurement officer”, as a conforming amendment;
- (2) Providing procurement officers with the discretion to extend, beyond ten working days after receipt of a protest, the amount of time within which they must settle, resolve, or issue a decision to uphold or deny protests;
- (3) Adding language to require that a written determination by a procurement officer that an award of a contract without delay is necessary to protect substantial interests of the State, pursuant to section 103D-701(f), Hawaii Revised Statutes, shall be final, conclusive, and not subject to appeal;
- (4) Making several amendments to the sections of chapter 103D, Hawaii Revised Statutes, amended in this measure to replace references to “chief procurement officer” and a designee of a chief procurement officer with a reference to a “procurement officer”, which more accurately reflects the respective duties of these officers, and inserting language to replace all references to “chief procurement officer” in chapter 103D, Hawaii Revised Statutes, except section 103D-203, Hawaii Revised Statutes, with the term “procurement officer”;
- (5) Changing the effective date to July 1, 2050, to ensure further discussion; 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 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. 1671, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1671, H.D. 2, S.D. 1, and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5, Ayes with Reservations (Slom). Noes, none. Excused, none.

SCRep. 2966 (Joint) Health and Human Services on H.B. No. 2275

The purpose and intent of this measure is to:

- (1) Establish and require the Department of Human Services to collect a hospital sustainability fee from hospitals on health care items or services provided; and
- (2) Establish a hospital sustainability program special fund that will receive the funds collected by the hospital sustainability fee so that the State may be eligible to receive federal Medicaid matching funds under the QUEST Expanded Medicaid Section 1115 demonstration waiver.

Your Committees received testimony in support of this measure from the Department of Human Services, The Queen’s Health Systems, HMSA, Chamber of Commerce of Hawaii, Hawaii Health Systems Corporation, North Hawaii Community Hospital, Hawaii Pacific Health, Kaiser Permanente, and the Rehabilitation Hospital of the Pacific. Your Committees received testimony in opposition to this measure from the Healthcare Association of Hawaii. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that there has been significant discussion about whether to include the Hawaii Health Systems Corporation as an entity that shall be subject to the hospital sustainability fee, and interested parties are approaching consensus on this point. Questions about needed resources for the Department of Human Services will be taken up in your Committee on Ways and Means, but the intent of your Committees is to maximize funds for private hospitals, public hospitals, and the Department of Human Services alike. After the aforementioned issues have been resolved, your Committees plan to submit to your Committee on Ways and Means a new draft of this measure that reflects the agreements of interested parties.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 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 H.B. No. 2275, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2275, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 2 (Nishihara, Slom).

SCRep. 2967 Health on H.B. No. 2232

The purpose and intent of this measure is to address the circumstances under which pelvic examinations may be performed by certain health care providers and medical students on anesthetized or unconscious female patients.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, University of Hawaii, Hawaii Medical Board, Healthy Mothers Healthy Babies, Planned Parenthood of Hawaii, and three individuals.

Your Committee finds that informed consent for pelvic examinations is an issue of ethics and an important part of care. The American Congress of Obstetricians and Gynecologists and the Association of American Medical Colleges have condemned the practice of pelvic examinations on anesthetized or unconscious women as unacceptable and unethical. Your Committee also finds that

while it is important for medical students to learn how to correctly perform pelvic examinations, providing all patients with the opportunity to give prior informed consent where possible is an important ethical consideration in the provision of health care.

Your Committee has amended this measure by:

- (1) Deleting extraneous legislative findings;
- (2) Specifying that the students who are subject to the requirements of this measure are students that are participating in a course of instruction, residency program, or clinical training program, rather than medical students;
- (3) Deleting the requirement that the physician, osteopathic physician, surgeon, or medical student have the patient's permission to be involved in the patient's care if the pelvic examination is already within the scope of care for the surgical procedure or diagnostic examination that is scheduled to be performed on the patient; 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 H.B. No. 2232, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2232, 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 (Slom, Wakai).

SCRep. 2968 (Joint) Health and Human Services on H.B. No. 2776

The purpose and intent of this measure is to require certain care home operators to obtain and maintain liability insurance in an amount determined by the Director of Health to cover the operations of the care home unless the care home is operating under a contract with the Department of Health or Department of Human Services and is in compliance with the liability insurance coverage requirements of the contract.

Your Committees received testimony in opposition to this measure from the Department of Health and Department of Human Services.

Your Committees find that the Department of Health does not possess the actuarial or underwriting expertise to determine the coverage amounts for the various home care facilities. Furthermore, the cost to acquire such expertise is currently beyond the financial means of the Department of Health. Your Committees also find that section 2, which requires that operators of assisted living facilities, community care foster family homes, and expanded adult residential care homes as defined in section 346-331, Hawaii Revised Statutes, obtain and maintain liability coverage, is unnecessary. Community care foster homes are required to have at least one Medicaid client at all times, and per contractual agreements, liability insurance is required in order to be paid for services that are rendered to Medicaid clients. Therefore, all community care foster family homes must have liability insurance. Should an assisted living facility or an expanded adult residential care home accept a Medicaid client, a contract for requiring liability insurance will also be necessary.

Your Committees have amended this measure by:

- (1) Deleting language that specified that the Director of Health would be the party responsible for determining a sufficient coverage amount for liability insurance that covers the operation of adult foster homes, adult residential care homes, assisted living facilities, and expanded adult residential care homes as defined in section 321-15.1, Hawaii Revised Statutes;
- (2) Deleting language that required operators of assisted living facilities, community care foster family homes, and expanded adult residential care homes as defined in section 346-331, Hawaii Revised Statutes, to obtain and maintain liability insurance; and
- (3) Inserting an effective date of January 1, 2050, to allow for further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2776, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2776, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 3 (Nishihara, Shimabukuro, Slom).

SCRep. 2969 (Joint) Health and Energy and Environment on H.B. No. 2656

The purpose and intent of this measure is to require all crematoriums of human remains operating within the State to be subject to air pollution control permit requirements; provided that owners or operators of crematoriums constructed before March 20, 1972, and operating within the State without a permit shall submit permit applications to the Department of Health no later than December 31, 2015.

Your Committees received testimony in support of this measure from the Department of Health; Hawaiian Memorial Life Plan, Ltd.; Hawaii Funeral and Cemetery Association; Sierra Club of Hawaii; and twenty individuals. Your Committees also received a petition with 140 signatures in support of this measure. Your Committees received testimony in opposition to this measure from Leeward Funeral Home; Hosoi Garden Mortuary, Inc.; and Oahu Cemetery Association.

Your Committees find that residents of the neighborhoods in which unfiltered crematoriums exist are incidentally exposed to particulate matter, soot, chemicals, and other forms of pollution as a result of the close proximity of the crematoriums. Requiring a permit will allow the Department of Health to better monitor and control the emissions of all crematoriums, thereby improving the State's air quality and public health. Your Committees further find that the initial exemption was instituted as a courtesy, but that forty

years have since elapsed. Consequently, your Committees find that requiring all crematoriums to comply with modern air regulations and technology is of critical importance.

Your Committees have amended this measure by moving up the date by which owners or operators of crematoriums constructed before March 20, 1972, and operating within the State without a permit must submit permit applications to the Department of Health no later than December 31, 2013, rather than December 31, 2015, as the health and well-being of those exposed to the crematorium's unfiltered smoke is of critical concern.

As affirmed by the records of votes of the members of your Committees on Health and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2656, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2656, 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 (Baker, Slom).

SCRep. 2970 (Joint) Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on H.B. No. 1181

The purpose and intent of this measure is to bring Hawaii's laws relating to false claims against the State and the counties into compliance with the federal False Claims Act.

Your Committees received testimony in support of this measure from the Department of the Attorney General.

Your Committees find that this measure allows any employee, contractor, or agent to be entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment, contract, or agency relationship because of lawful acts done by the employee, contractor, agent or associated others in furtherance of a qui tam action.

This measure ensures that Hawaii's laws comply with the federal False Claims Act. According to testimony of the Attorney General, this measure enables the State to continue to retain an additional ten percent of any civil recovery in cases involving federal programs.

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. 1181, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Baker, Gabbard, Kidani, Shimabukuro).

SCRep. 2971 (Joint) Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on H.B. No. 2113

The purpose and intent of this measure is to make it unlawful to sell, offer for sale, distribute, possess, ignite, or otherwise use aerial luminaries, commonly known as sky lanterns, Hawaii lanterns, and flying luminaries.

Your Committees received testimony in support of this measure from the State Fire Council, Department of Land and Natural Resources, Honolulu Police Department, Hawaii County Fire Department, Maui County Department of Fire and Public Safety, Kauai Fire Department, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Hawaii Fire Chiefs Association, and one individual.

Your Committees find that aerial luminaries pose a potential hazard to the community. These devices are paper lanterns containing a small candle or other fuel that heats air inside the lantern causing the lantern to rise several hundred feet and remain airborne until the candle extinguishes, at which time the lantern descends. The uncontrolled open flame device can land on combustible vegetation, buildings, or power lines, and interfere with aircraft flight patterns. Death or serious injury to livestock has been reported in many countries when the sky lantern remains are consumed.

Your Committees have amended this measure by:

- (1) Placing the new section into chapter 132D, Hawaii Revised Statutes, relating to fireworks;
- (2) Changing the effective date to upon approval; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on 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. 2113, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2113, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Baker, Gabbard, Kidani, Shimabukuro).

SCRep. 2972 (Joint) Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on H.B. No. 2514

The purpose and intent of this measure is to address issues in the public safety system involving pretrial process, parole, and payment of restitution, in order to reduce costly inefficiencies, hold offenders more accountable, and reinvest savings in more effective public safety strategies.

Your Committees received testimony in support of this measure from the Governor, Department of Public Safety, Office of the Public Defender, Hawaii Paroling Authority, Office of Hawaiian Affairs, Crime Victim Compensation Commission, Hawaii State Commission on the Status of Women, Hawaii Government Employees Association, Maui Prosecuting Attorney, Community Alliance on Prisons, Hawaii Substance Abuse Coalition, American Civil Liberties Union of Hawaii, Council on State Governments Justice Center, and four individuals. Testimony in opposition was received from Da Kine Bail Bonds. Comments were received from the Honolulu Prosecuting Attorney, Kauai Prosecuting Attorney, The Sex Abuse Treatment Center, and Freedom Bail Bonds.

Your Committees find that this measure is an outgrowth of the Justice Reinvestment Working Group and the Council of State Governments Justice Center to study, analyze, and make recommendations for improvements in the criminal justice system and corrections system in all fifty states. The analysis revealed that crime and victimization rates in Hawaii have declined, as have arrests and felony convictions for violent and property crimes. However, the population under probation supervision and incarceration has not declined, and in some cases has increased.

Your Committees have amended this measure by:

- (1) Deleting all of its contents except for the language that increases the membership of the Hawaii Paroling Authority to one full-time Chairperson and four part-time members, and makes an appropriation for that purpose; and
- (2) Changing the effective date to July 1, 2012.

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. 2514, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2514, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Baker, Gabbard, Shimabukuro).

SCRep. 2973 (Joint) Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on H.B. No. 2515

The purpose and intent of this measure is to permit certain second-time drug offenders a sentence of probation but not a one-time expungement of the record of conviction, permit a three-year probation term for individuals convicted of certain class B and C felonies, require a defendant's probation officer to report concerning compliance or non-compliance with probation conditions, and increase the minimum threshold property and services valuation for theft in the second degree to \$750.

Your Committees received testimony in support of this measure from the Governor, Department of Public Safety, Judiciary, Office of the Public Defender, Crime Victim Compensation Commission, Office of Hawaiian Affairs, Kauai Prosecuting Attorney, Community Alliance on Prisons, Hawaii Substance Abuse Coalition, American Civil Liberties Union of Hawaii, National Alliance of Reformed Criminals, ABC Stores, Duty Free Shoppers Hawaii, Chaminade University, Justice Center of the Council of State Governments, and three individuals. Testimony in opposition to this measure was received from the Honolulu Police Department, Hawaii County Prosecuting Attorney, Maui Prosecuting Attorney, Retail Merchants of Hawaii, and four individuals. Comments were received from the City and County of Honolulu Prosecuting Attorney, Hawaii Food Industry Association, and Times Supermarket.

Your Committees find that this measure is an outgrowth of the Justice Reinvestment Working Group and the Council of State Governments Justice Center to study, analyze, and make recommendations for improvements in the criminal justice system and corrections system in all fifty states. The analysis revealed that crime and victimization rates in Hawaii have declined, as have arrests and felony convictions for violent and property crimes. However, the population under probation supervision and incarceration has not declined, and in some cases has increased.

Your Committees have amended this measure by:

- (1) Deleting the amended minimum threshold amount for theft in the second degree;
- (2) Increasing from three to four years the period of probation for conviction of certain class B or C felonies;
- (3) Amending the purpose section to reflect the amended purpose of the measure; 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2515, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2515, 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, 5, Ayes with Reservations (Ryan). Noes, none. Excused, 3 (Baker, Gabbard, Shimabukuro).

SCRep. 2974 (Joint) Public Safety, Government Operations, and Military Affairs and Judiciary and Labor and Health on H.B. No. 2798

The purpose and intent of this measure is to establish a temporary Hawaii Veterans Treatment Court.

Your Committees received testimony in support of this measure from the Department of Veterans Affairs; Office of the Deputy Assistant Secretary of Defense; Judiciary; Office of Veterans Services; Mayor of the City and County of Honolulu; Military Officers Association of America, Hawaii Chapter; Oahu Veterans Center; The Chamber of Commerce of Hawaii; United States Veterans Initiative; theStrategist; and five individuals. Comments were received from the City and County of Honolulu Prosecuting Attorney.

Your Committees find that the State's prison system is severely overcrowded and that further alternatives to incarceration, including the provision of appropriate treatment and counseling and more intensive supervision, are needed. Successful intervention by the Hawaii Veterans Treatment Court is expected to have a long-term positive impact on prison overcrowding, the costs of high rates of incarceration, public safety, probation and parole workloads, and case flow through the judicial system.

Your Committees are concerned that some veterans frequently behave disruptively or illegally and that these behaviors are commonly precipitated by, among other things, post-traumatic stress disorder as a result of combat service. Your Committees find that a specialized treatment court can best provide veterans with proper treatment.

Your Committees note that although the Judiciary did not advocate for the inclusion of appropriations to implement this measure in the Judiciary's budget for the 2012-2013 year, there is still time in this legislative session for the costs to be appropriated for in the supplemental appropriation budget bill for expenditures in the 2012-2013 fiscal year, provided that adequate information is obtained.

Your Committees have amended this measure by:

- (1) Inserting an appropriation amount of \$1; and
- (2) Requiring the Judiciary to:
 - (A) Submit to the Senate Committee on Ways and Means, a plan of implementation of the temporary Hawaii Veterans Treatment Court that shall include information on anticipated costs of operation and additional personnel and additional staffing that may be required of the county prosecuting attorneys and the State Public Defender to staff the new court in time for the anticipated costs to be included in the Judiciary's budget for the supplemental appropriation budget bill; and
 - (B) Enlist the assistance of the City and County of Honolulu Prosecuting Attorney and State Public Defender in formulating the plan of implementation.

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 and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2798, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2798, 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, 11. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 2975 (Majority) Commerce and Consumer Protection on H.B. No. 1840

The purpose and intent of this measure is to establish a task force within the Department of Commerce and Consumer Affairs to study the feasibility of establishing a state-owned bank in Hawaii.

Your Committee received testimony in support of this measure from Faith Action for Community Equity, the Legal Aid Society of Hawaii, IMUAlliance, and two individuals.

Your Committee received testimony in opposition to this measure from the Hawaii Bankers Association.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and the Legislative Reference Bureau.

Your Committee finds that a state-owned bank could help to expand and strengthen the economy of the State. However, your Committee also finds that, to ensure all viable alternatives are adequately explored:

- (1) The scope of the task force's study should be expanded to include consideration of other programs and options that could serve the same purposes or achieve the same goals as a state-owned bank; and
- (2) The membership of the task force should include greater representation by experts in the fields of economics, finance, and community development.

Your Committee also notes that the House supplemental appropriations bill (H.B. No. 2012, H.D. 1) uses compliance resolution funds budgeted and allocated to the Department of Commerce and Consumer Affairs, Division of Financial Institutions, to fund the task force. Your Committee believes that such a diversion of funds would be inappropriate and therefore has included a general fund appropriation to support the work of the task force.

Your Committee has amended this measure by:

- (1) Expanding the scope of the task force's study to include consideration of other programs or options that could serve the same purposes or achieve the same goals as a state-owned bank;
- (2) Authorizing the task force to establish investigative subgroups and invite participation and input from experts in relevant fields;
- (3) Clarifying that a task force member who is not a state employee shall not be made subject to chapter 84, Hawaii Revised Statutes, solely because of that member's participation on the task force;
- (4) Authorizing and appropriating unspecified funds for the support of the task force, including for travel expenses for neighbor island task force members and consulting costs;
- (5) Revising the membership of the task force as follows:
 - (A) A representative from the Department of Commerce and Consumer Affairs, Division of Financial Institutions, who shall serve as chair of the task force;

- (B) A representative from the Department of Budget and Finance, Financial Administration Division;
 - (C) A representative from the Department of Business, Economic Development, and Tourism, Research and Economic Analysis Division;
 - (D) A representative from the Department of Agriculture, Agricultural Loan Division;
 - (E) A representative from the Economic Research Organization at the University of Hawaii;
 - (F) A representative from the Shidler College of Business at the University of Hawaii at Manoa, Financial Economics and Institutions Department;
 - (G) A representative from the Hawaii Strategic Development Corporation;
 - (H) The Executive Director of the Hawaii Housing Finance and Development Corporation or the Executive Director's designee;
 - (I) A member of the native Hawaiian community with a background in community economic development and business assistance in the native Hawaiian community, to be appointed by the Native Hawaiian Chamber of Commerce;
 - (J) A representative from the Legal Aid Society of Hawaii;
 - (K) A representative from Faith Action for Community Equity;
 - (L) A representative of banking and financial institutions, to be appointed by the Hawaii Bankers Association; and
 - (M) A neighbor island county representative from the Economic Development Alliance of Hawaii; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1840, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1840, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 2 (Green, Taniguchi).

SCRep. 2976 (Joint) Health and Judiciary and Labor on H.B. No. 2374

The purpose and intent of this measure is to transfer the Office of Language Access from the Department of Labor and Industrial Relations to the Department of Health as an administratively attached agency.

Your Committees received testimony in support of this measure from the Department of Health; Department of Labor and Industrial Relations; Office of Language Access, Department of Labor and Industrial Relations; Office of Language Access Advisory Council; Catholic Charities Hawaii; Congress of Visayan Organizations; Inter-Agency Council for Immigrant and Refugee Services; and one individual. Your Committees received comments on this measure from the Department of Human Resources Development.

Your Committees find that the transfer of the Office of Language Access from the Department of Labor and Industrial Relations to the Department of Health will enable the Department of Health to provide a broader base of support and allow for a more effective and efficient use of resources to provide vital language services to the more than 140,000 limited-English-proficient individuals in the State.

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 H.B. No. 2374, 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, Ihara, Wakai).

SCRep. 2977 (Joint) Health and Judiciary and Labor on H.B. No. 2152

The purpose and intent of this measure is to require the Office of the Auditor to conduct a study that analyzes the concerns within the healthcare community about the difficulty in providing healthcare in workers' compensation cases due to their low reimbursement rates.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Department of Labor and Industrial Relations; Hawaii Medical Association; Plumbers and Fitters Union, Local 675; and three individuals. Your Committees received testimony in opposition to this measure from the Property Casualty Insurers Association of America and one individual. Your Committees received comments on this measure from the Department of Human Resources Development, IWL Local 142, and two individuals.

Your Committees find that quality medical care is not available to all injured workers because the level of compensation received by the physicians willing to take individuals with workers' compensation insurance is below that paid for regular prepaid health insurance. With the lower reimbursement rate and the time required for the claims documentation, many medical providers are simply refusing to accept patients with workers' compensation. Injured workers may consequently go untreated or seek out substandard care.

Your Committees find that the study of the workers' compensation reimbursement system proposed in this measure is unnecessary and will simply delay the implementation of a real solution, as there is no dispute that low reimbursement is the problem underlying the shortage and inadequacy of medical care for injured workers.

Your Committees have amended this measure accordingly by deleting its contents and inserting the contents of the H.D. 1 version of this measure. As amended, this measure increases the fee schedule of compensation for medical care, services, and supplies in workers' compensation cases from 110 percent to 130 percent of the Medicare Resource Based Relative Value Scale applicable to Hawaii as prepared by the United States Department of Health and Human Services, effective January 1, 2013.

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 H.B. No. 2152, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2152, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6, Ayes with Reservations (Slom). Noes, none. Excused, 3 (Baker, Ihara, Wakai).

SCRep. 2978 (Joint) Transportation and International Affairs and Judiciary and Labor and Public Safety, Government Operations, and Military Affairs on H.B. No. 2320

The purpose and intent of this measure is to make amendments to the State's ignition interlock law recommended by the Ignition Interlock Implementation Task Force pursuant to Act 171, Session Laws of Hawaii 2008. Specifically, this measure, among other things:

- (1) Allows a person whose driver's license was revoked after December 31, 2010, to apply for a driver's license renewal;
- (2) Allows a repeat intoxicated driver arrested after December 31, 2010, to obtain a motor vehicle registration and number plates by requiring the Director of Transportation to remove any stopper imposed on the motor vehicle registration files;
- (3) Allows a person whose driver's license was revoked for life, among other persons, to petition for ignition interlock instruction permit and sets out procedures to do so;
- (4) Repeals the requirement that the arresting law enforcement officer take possession of the motor vehicle registration and remove the number plates and issue a temporary motor vehicle registration and temporary license plates;
- (5) Repeals the authorization of the Director of Transportation to grant a special motor vehicle registration to a qualified household member or to a co-owner of any motor vehicle owned by the respondent, upon a determination that the person is completely dependent on the motor vehicle for the necessities of life;
- (6) Repeals the requirement that the Director of Transportation administratively revoke the registration of any vehicle owned or registered to the respondent and take custody of any number plates issued to the respondent if the director determines that the respondent is a repeat intoxicated driver and other conditions are met;
- (7) Requires proof that the respondent has installed an ignition interlock device in any vehicle the respondent operates and has obtained motor vehicle insurance of self-insurance, in order for the Director of Transportation to issue an ignition interlock permit during the revocation period; and
- (8) Prohibits the issuance of an ignition interlock permit to a respondent who holds a license that is a learner's permit or instruction permit.

Your Committees received testimony in support of this measure from the Department of Transportation, Department of the Attorney General, the Judiciary, Office of the Public Defender, City and County of Honolulu Department of Customer Services, Honolulu Police Department, Kauai County Police Department, Hawaii County Police Department, Maui County Police Department, MADD Hawaii, and four individuals. Your Committees received testimony in opposition to this measure from the Kauai County Office of the Prosecuting Attorney.

Your Committees find that when the Ignition Interlock Implementation Task Force was first formed in 2008, it agreed upon a goal of creating a basic framework for an ignition interlock program, and that the program would be a work in progress. The Task Force agreed to address issues outside the original scope, such as persons whose licenses were administratively revoked for their lifetime for operating a vehicle under the influence of an intoxicant. Now that Hawaii is entering the second year of its ignition interlock program, the Task Force's legislative subcommittee recommended this measure to address some of those unresolved issues, as well as issues that have emerged since the implementation of the program.

According to testimony, studies have revealed that a disturbingly high percentage of drivers who have had their licenses revoked continue to operate their vehicles illegally and create a risk to other vehicles, pedestrians, and bicyclists on the road. Your Committees believe that it is important to highway safety to responsibly include as many identified impaired drivers as possible in the effective ignition interlock program in order to reduce this level of risk.

Your Committees have amended this measure by:

- (1) Increasing from three to seven years the minimum period of time that shall have elapsed after issuance of an ignition interlock permit before a petitioner who has had a lifetime revocation may file a petition to reinstate the petitioner's eligibility for a driver's license and privilege to operate a vehicle without an ignition interlock device;
- (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 records of votes of the members of your Committees on Transportation and International Affairs and Judiciary and Labor 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. 2320, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2320, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Baker, Dela Cruz, Ihara, Kahele, Kidani).

SCRep. 2979 Agriculture on H.B. No. 280

The purpose and intent of this measure is to repeal the following:

- (1) Statutory mandate that all Hawaii-grown green coffee beans be inspected and certified by the Department of Agriculture for grade and origin; and
- (2) Prohibition on shipping uninspected green coffee beans outside the area of their geographic origin.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Farm Bureau Federation; Ka'u Farm Bureau; Hawaii Coffee Growers Association; Kona Fancy Ventures; Greenwell Farms, Inc.; Wakefield and Sons, Inc.; and nineteen individuals. Your Committee received testimony in opposition to this measure from Corkers' Rancho Aloha; Kona Coffee Farmers Association; Daily Fix Coffee; Hawaii 100% Kona Coffee Company; Dysart Farms; Luther Coffee Farm; Kanalani Ohana Farm; Konaloha Farms; Aerie Farms, LLC; Kona View Coffee; Kona Vie Coffee; Blue Sprits Coffee Roasting; Huahua Farm, LLC; Mokulele Farm; 'Ihilani Coffee Company; Kona Pure Coffee; and eighteen individuals.

Your Committee finds that the grading and certification standards for Hawaii-grown green coffee are important for preserving the integrity of Hawaii's coffee industry and protecting consumers. Your Committee recognizes the intention of statutorily mandating the Department of Agriculture to inspect and certify all Hawaii-grown green coffee for grade and origin before it leaves its geographic origin. However, the State's recent economic downturn and current conditions have made it difficult, if not impossible, for the Department to remain in compliance with this mandate without causing undue harm to farmers and processors who deal with green coffee. A statutory mandate impedes the Department of Agriculture's ability to respond to future fluctuations in the State's economy and manage its resources to effectively carry out the Department's objectives.

Your Committee further finds that the Department of Agriculture currently has administrative rules regarding the grading of agricultural commodities as well as rules regarding the geographic origin of Hawaii-grown green coffee. It is important to ensure that the Department of Agriculture maintains its rule making ability in this regard.

In addition, your Committee finds that stronger penalties are needed to combat the fraudulent labeling of Hawaii-grown green coffee as to the coffee's geographic origin. Your Committee is aware of past incidents of coffee counterfeiting and realizes that greater enforcement and penalties are needed to protect Hawaii's coffee industry.

As such, your Committee has amended this measure by:

- (1) Adding language to make the transport, distribution, advertisement, sale, or possession with the intent to sell, in the State, of Hawaii-grown coffee that has been falsely labeled as to the geographic origin of the coffee, a class C felony; and adding language to define the terms "geographic origin" and "green coffee"; and
- (2) Adding language to amend section 147-4, Hawaii Revised Statutes, to authorize the Department of Agriculture to adopt administrative rules relating to the inspection and certification of the geographic origin of Hawaii-grown green coffee beans;
- (3) Reinstating the prohibition on shipping Hawaii-grown coffee beans outside the area of their geographic origin to any point within the State or outside the State but adding an exception to the prohibition for beans for which the package has been marked with or contains a certification of geographic origin approved by the Department of Agriculture;
- (4) Inserting a savings clause and severability clause; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 280, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 280, 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, 3 (Chun Oakland, Slom, Tokuda).

SCRep. 2980 Agriculture on H.B. No. 2703

The purpose and intent of this measure is to require the Department of Agriculture to:

- (1) Measure and analyze the amount of food livestock, dairy, and edible crop commodities grown and sold in the State annually;
- (2) In conjunction with the Department of Business, Economic Development, and Tourism, identify key food commodities to be targeted for assistance in developing an increased local market share;
- (3) Develop a food sustainability standard to at least double the amount of locally grown food for local consumption by 2020;
- (4) Plan and adopt the necessary incentives to ensure that the food sustainability standard is met or exceeded; and
- (5) Submit reports to the Legislature.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farmers Union United, Sierra Club Hawai'i Chapter, Environmental Caucus of the Democratic Party of Hawaii, Hawaii Food Policy Council, and ninety individuals. Your Committee received testimony in opposition to this measure from the Land Use Research Foundation of Hawaii and three individuals. Your Committee received comments on this measure from the Hawaii Farm Bureau Federation.

Your Committee finds Hawaii is dangerously dependent on imported food. As the most geographically isolated state in the country, Hawaii imports approximately ninety-two percent of its food. Each food product imported to Hawaii is a lost opportunity for local economic growth.

Your Committee further finds that in creating a food sustainability standard, the State needs to examine what food self-sufficiency truly means for the State or whether the ultimate goal of sustainability is ensuring that productive agricultural lands are used to the greatest extent possible. In addition, the State needs to determine in which areas it can achieve greater self-sufficiency and prioritize those areas as part of the effort to increase the amount of food that is locally produced and consumed while ensuring that local farmers are profitable.

Your Committee recognizes that funding for this program may be an issue as the Department of Agriculture no longer has the resources necessary to provide the level of record keeping that this measure requires. Your Committee is concerned that unless the State is able to fund positions within the Department of Agriculture that were lost due to the reduction in force in 2009, the food sustainability standard program proposed by this measure may not be properly administrated.

In addition, your Committee recognizes the concerns about the effectiveness of this program in measuring actual growth and the amount of food produced and consumed in the State because the program only requires the Department of Agriculture to track farms' cash receipts and does not take into account inflation in determining a baseline for food sustainability and any resulting growth.

Your Committee has amended this measure by:

- (1) Clarifying that the citation stating that Hawaii imports approximately ninety-two percent of its food due to the United States Department of Agriculture is inaccurate, rather those imports are due to the Pacific Regional Integrated Sciences and Assessments Program;
- (2) Amending the food sustainability standard that the State increase the amount of food grown in the State to double the amount grown in 2014, rather than 2013, by the year 2020; 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 H.B. No. 2703, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2703, 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, 3 (Chun Oakland, Slom, Tokuda).

SCRep. 2981 Agriculture on H.B. No. 2668

The purpose and intent of this measure is to:

- (1) Create a livestock feed tax credit for the taxable year beginning after December 31, 2011, and ending before January 1, 2013;
- (2) Create a livestock feed development tax credit for the taxable years beginning after December 31, 2012, and ending before January 1, 2015;
- (3) Create a tax credit for drought mitigation projects on certain lands of up to fifteen percent of the important agricultural land qualified agricultural cost tax credit, for taxable years beginning December 31, 2011, and ending before January 1, 2021;
- (4) Repeal the requirement that the amount of qualified agricultural costs eligible to be claimed under the important agricultural land qualified agricultural tax credit be reduced by the amount of funds the taxpayer received during the taxable year from the irrigation repair and maintenance special fund; and
- (5) Lower the aggregate important agricultural land qualified agricultural cost tax credit cap from \$7,500,000 per year to \$5,000,000 per year for the taxable year ending before January 1, 2013, and \$7,000,000 per year for the taxable years beginning after December 31, 2012, and ending before January 1, 2016.

Your Committee received testimony in support of this measure from the Mikilua Farm Bureau Center; Hawaii Cattlemen's Council, Inc.; Land Use Research Foundation of Hawaii; Hawaii Farm Bureau Federation; Alexander and Baldwin, Inc.; Kahua Ranch, Ltd.; Parker Ranch, Inc.; McCandless Ranch; and two individuals. Your Committee received comments on this measure from the Department of Agriculture, Department of Land and Natural Resources, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that supporting Hawaii's agriculture is imperative to increasing the State's economic base and food self-sufficiency. Your Committee further finds that this measure is a means of investing in Hawaii's agriculture in these fiscally challenging times.

Your Committee has amended this measure by:

- (1) Clarifying that for purposes of the livestock feed tax credit and the livestock feed development tax credit, the terms "livestock feed costs" and "livestock feed development costs", respectively, relate to costs of edible materials consumed by a qualified producer's cows, goats, poultry, sows, and beef cattle;
- (2) Adding a definition of "poultry products" for purposes of the livestock feed tax credit and the livestock feed development tax credit;

- (3) Amending the definition of “qualified producer” for the livestock feed tax credit by:
 - (A) Reducing three hundred to fifty the number of birds from which poultry products must be produced by a person in order for that person to be considered a qualified producer; and
 - (B) Clarifying that a qualified producer includes any person that is in the business of producing beef that is raised in the State, rather than requiring the beef to be grown, slaughtered, processed, and marketed in the State;
- (4) Adding a definition of the term “qualified producer” for purposes of the livestock feed development tax credit; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee respectfully requests that, if your Committee on Ways and Means chooses to hear this measure, your Committee on Ways and Means examine the application of the beginning and ending taxable year dates for the reduced aggregate cap for the important agricultural land qualified agricultural cost tax credit in section 235-110.93, Hawaii Revised Statutes, to ensure that no eligible taxpayers who have a fiscal tax year starting before January 1, 2013, and ending after January 1, 2013, are excluded from the reduced tax credit cap.

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. 2668, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2668, 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, 3 (Chun Oakland, Tokuda, Slom).

SCRep. 2982 Tourism on H.B. No. 2078

The purpose and intent of this measure is to require:

- (1) All advertisements and solicitations for transient accommodations to conspicuously display the registration identification number or the website address for a website containing the registration identification number; and
- (2) Any advertisement or solicitation for a transient accommodation to provide contact information for a local agent if the operator of the residential property resides off-island or out-of-state.

Your Committee received testimony in support of this measure from the Department of Taxation, Department of Planning and Permitting of the City and County of Honolulu, Hawaii Association of Realtors, and Outrigger Enterprises Group. Your Committee received testimony in opposition to this measure from numerous individuals. Your Committee received comments on this measure from the Hawaii Tourism Authority.

Your Committee finds history has shown that regulating transient accommodations operations can be a difficult task. However, your Committee is not convinced that the approach in this measure will provide the State with enhanced collection of transient accommodations tax revenues, and finds that this measure raises a number of privacy issues for owners of these transient accommodations.

Your Committee further finds that S.B. No. 2089, S.D. 1, employs a more balanced and comprehensive means of fostering consumer protection in the State’s transient vacation rental market and ensuring greater compliance with applicable state and county laws by owners who operate transient accommodations in the State.

Your Committee has amended this measure accordingly, by deleting its contents and replacing them with the language in S.B. No. 2089, S.D. 1, with additional amendments. Specifically, this measure:

- (1) Requires any nonresident owner who operates a transient accommodation located in the nonresident owner’s private residence to employ a licensed real estate broker or salesperson;
- (2) Requires any nonresident owner who operates a transient accommodation located in the nonresident owner’s private residence in a condominium hotel to employ a condominium hotel operator;
- (3) Requires relevant information about owners who may be leasing their property as transient accommodations, to be provided to the Department of Taxation for enforcement purposes;
- (4) Requires the counties to provide the Department of Taxation with relevant owner information about every transient accommodation permitted by the respective counties annually;
- (5) Requires the Department of Taxation to issue a registration identification number for each nonresident owner, which shall be included as part of the relevant information related to an owner who may be leasing property as transient accommodations;
- (6) Establishes fines for noncompliance;
- (7) Provides an exemption from the mandatory employment of a licensed real estate broker or salesperson or condominium hotel operator in certain circumstances;
- (8) Requires the name and phone number of a local point of contact for each transient accommodation to be included in any transient accommodation contract or written rental agreement and to be prominently posted in the transient accommodation; and
- (9) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee has requested information from the Department of Taxation regarding the scope of noncompliance for transient accommodations tax collections, as well as other relevant information. Your Committee considers that further amendments may be necessary as this measure advances through the legislative process.

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. 2078, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2078, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5, Ayes with Reservations (Kahale, Slom). Noes, none. Excused, none.

SCRep. 2983 Tourism on H.B. No. 2314

The purpose and intent of this measure is to provide for the allocation of transient accommodations tax revenues to the convention center enterprise special fund on a fiscal year basis.

Your Committee received testimony in support of this measure from the Department of Taxation and Hawaii Tourism Authority. Your Committee received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee finds that the amount of the transient accommodations tax revenue allocated for the convention center enterprise special fund is limited to \$33,000,000 per calendar year. A problem arises as a result of the limits on the deposits into the special fund because the limit is applied on a calendar year basis, but expenditures from the fund are made on a fiscal year basis. In some years, the \$33,000,000 limit is achieved in the third month of the fiscal year, October, and no further revenues are deposited into the fund until the new calendar year. This results in a shortfall in the fund's ability to pay the debt service for the convention center.

This measure will address the problem by providing for the receipt of transient accommodations tax revenues by the convention center enterprise special fund in each month during 2012 and the early months of 2013.

Your Committee has amended this measure by authorizing unexpended and unencumbered monies determined by the Hawaii Tourism Authority to be in excess of any unencumbered reserve remaining in the convention center enterprise special fund at the close of fiscal year 2011-2012 to be expended by the Authority for repair and maintenance projects of the Hawaii Convention Center.

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. 2314, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2314, 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. 2984 Judiciary and Labor on H.B. No. 994

The purpose and intent of this measure is to ensure uniformity and fairness in the covered loss deductible provision of the insurance code by excluding benefits paid or incurred under the workers' compensation law in automobile accident cases from the covered loss deductible requirements.

Your Committee received testimony in support of this measure from the Hawaii Association for Justice. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee finds that the covered loss deductible provision of Hawaii's insurance code sets reasonable standards for litigation of legitimate claims and discourages frivolous lawsuits in automobile accident cases by deducting the amount of medical expenses from injury awards. This prevents a claimant who already received a recovery for medical expenses from an automobile insurer under personal injury protection medical coverage provisions of an automobile insurance policy from receiving an additional windfall in recovery for medical expenses in injury awards.

Your Committee further finds that in automobile accidents involving an individual covered under workers' compensation insurance, the workers' compensation policy, and not the personal injury protection medical coverage of an automobile insurance policy, pays for medical expenses incurred as a result of the accident. Under existing workers' compensation law, the accident victim must repay the workers' compensation insurer for medical, wage loss, and permanent disability payments paid for by the workers' compensation insurer if a judgment, settlement, or award is given to the victim, with payment being deducted from the judgment, settlement, or award. However, the personal injury protection medical coverage of an automobile insurance policy is also allowed to deduct the amount of medical expenses from a judgment, settlement, or injury award. This measure addresses this double reduction of awards by excluding benefits paid or incurred under the workers' compensation law in automobile accident cases from the covered loss deductible requirements.

As affirmed by the record of votes of the members 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. 994, H.D. 1, 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. 2985 Judiciary and Labor on H.B. No. 2492

The purpose and intent of this measure is to improve the efficiency and cost effectiveness of the Hawaii employer-union health benefits trust fund and reduce confusion for retirees with regard to the annual adjustments of their base monthly contribution rates by changing the date that the base monthly contribution rate is annually adjusted from July 1 of each year to January 1 of each year.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that currently, a retiree's base monthly contribution rate is adjusted annually on July 1 of every year based on federal Medicare part B rate adjustments. However, Medicare part B adjustments are determined annually and are effective every January 1 of each year. Additionally, the Hawaii employer-union health benefits trust fund retiree plan year is January 1 to December 31. Changing the adjustment of the base monthly contribution rate from July 1 to January 1 of each year will align the Hawaii employer-union health benefits trust fund retiree plan year and base monthly contribution rate adjustment date with the federal Medicare part B adjustment date. Your Committee further finds that having only one rate change per year instead of two will be more administratively efficient for the Hawaii employer-union health benefits trust fund and less confusing for retirees.

As affirmed by the record of votes of the members 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. 2492, 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 (Ihara).

SCRep. 2986 (Majority) Judiciary and Labor on H.B. No. 1848

The purpose and intent of this measure is to amend the process by which public sector health benefits contributions are negotiated under the State's public sector collective bargaining laws. Specifically, this measure:

- (1) Repeals the prohibition of using arbitration to resolve impasses or disputes relating to public employer contributions to the Hawaii employer-union health benefits trust fund (EUTF);
- (2) Authorizes the arbitration panel to make a final and binding decision on EUTF contributions;
- (3) Authorizes the parties to arbitration to submit recommendations for public employer contribution amounts to the Legislature;
- (4) Authorizes the Legislature to approve, reject, or modify public employer contribution amounts; and
- (5) Makes various housekeeping amendments to remove obsolete language.

Prior to the hearing on this measure, your Committee posted a proposed S.D. 1 for review and comments. This proposed measure deletes the contents of this measure and inserts language that:

- (1) Establishes that a public employer and an exclusive representative shall negotiate the state and county contribution amounts to the EUTF for health benefit plans and group life insurance benefits for active employees;
- (2) Removes the prohibition against applying the impasse procedures under section 89-11, Hawaii Revised Statutes, to negotiations relating to public employer contribution amounts to the EUTF;
- (3) Establishes that a decision of an arbitration panel is final and binding when the parties cannot reach an agreement with respect to public employer contribution amounts to the EUTF;
- (4) Repeals the legislative relief option to determine EUTF contributions when an impasse exists regarding the negotiation of public employer contribution amounts to the EUTF; and
- (5) Repeals the prohibition against striking over the issue of public employer contribution amounts to the EUTF.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and United Public Workers, AFSCME Local 646, AFL-CIO. Testimony in opposition to the proposed S.D. 1 was submitted by the Department of Budget and Fiscal Services of the City and County of Honolulu. The Department of Budget and Finance submitted comments.

Your Committee finds that the existing collective bargaining laws lack a dispute resolution procedure to resolve disagreements over the contributions to the Hawaii employer-union benefits trust fund. Existing law requires that if the employer and exclusive representative cannot agree on the amount of contributions, then the pro rata share will be determined by the Legislature while all other negotiable items may proceed to impasse. This measure will allow disputes over contributions to be treated similarly to other negotiable items and resolved through impasse procedures, such as arbitration or striking, depending on the bargaining unit involved.

Your Committee has amended this measure by adopting the proposed S.D. 1.

As affirmed by the record of votes of the members 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. 1848, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1848, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Gabbard).

SCRep. 2987 (Majority) Judiciary and Labor on H.B. No. 2228

The purpose and intent of this measure is to:

- (1) Amend chapter 387, Hawaii Revised Statutes, relating to wage and hour laws to:
 - (A) Prohibit employers from precluding their breastfeeding employees from expressing breastmilk during any meal or other break period required by law or collective bargaining agreement;

- (B) Require an employer with twenty or more employees to make reasonable efforts to provide a clean location, other than a bathroom, for employees to express breastmilk in privacy;
 - (C) Require covered employers to post a notice in a conspicuous location; and
 - (D) Establish a civil fine of \$50 for failing to provide a clean location or post a notice; and
- (2) Repeal section 378-10, Hawaii Revised Statutes, relating to breastfeeding in the workplace during a meal or other break period, for clarity and consistency.

Your Committee received testimony in support of this measure from the Hawaii Civil Rights Commission; Hawaii State Commission on the Status of Women; Office of Hawaiian Affairs; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; United Public Workers, AFSCME Local 646, AFL-CIO; Chamber of Commerce of Hawaii; Women's Coalition; Young Women's Christian Association of Oahu; Hawaii State Democratic Women's Caucus; Healthy Mothers Healthy Babies Coalition of Hawaii; Planned Parenthood of Hawaii; American Civil Liberties Union of Hawaii; Breastfeeding Hawaii; and one private individual. Testimony in opposition to this measure was submitted by the Hawaii Bar Owners Association. The Department of Labor and Industrial Relations submitted comments.

Your Committee finds that in Hawaii, over ninety percent of new mothers, which is much higher than the national average, intend to breastfeed their babies. Unfortunately, six months after birth, only about sixteen percent of infants are exclusively breastfed as recommended by the American Academy of Pediatrics, the World Health Organization, and other public health organizations.

Your Committee further finds that the expected duration for a mother in the workplace to breastfeed is approximately three to six months for each child, which is rather brief when considering the typical length of an employee's working life. Employers who allow their breastfeeding employees to express breastmilk while at work have seen reduced employee absenteeism and turnover and improved employee work productivity and loyalty. Also, an economic risk exists in not allowing breastfeeding employees to express breastmilk at work. In April 2010, a study indicated that \$13,000,000,000 a year could be saved in the United States if ninety percent of mothers breastfed their infants for the recommended period of six months. This measure enables the State to save a proportionate share of this total by requiring an employer with twenty or more employees to make reasonable efforts to provide a clean location for breastfeeding employees to express breastmilk in privacy.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by The Chamber of Commerce of Hawaii that incorporates applicable language from the federal Fair Labor Standards Act to:
 - (A) Exempt employers with twenty or more employees from providing a clean location for breastfeeding employees to express breastmilk in privacy, if compliance with this requirement imposes an undue hardship; and
 - (B) Define undue hardship as the difficulty or expense of compliance with breastfeeding in the workplace requirements for a specific employer in comparison to the size, financial resources, nature, and structure of the employer's business; 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. 2228, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2228, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 2 (Gabbard, Ihara).

SCRep. 2988 (Majority) Energy and Environment on H.B. No. 1033

The purpose and intent of this measure is to establish the Clean Economy Bank of the State of Hawaii to, among other things:

- (1) Enable the State, along with other participating states, territories, and municipalities, to leverage aligned resources and collective influence to build a national clean economy that creates jobs, reduces carbon emissions, and ensures the nation's energy security;
- (2) Support clean economic development within the State and other participating entities; and
- (3) Lessen the burden on the State and other participating entities to finance qualified renewable energy and other related purposes.

Specifically, this measure, among other things, establishes:

- (1) The Board of Directors of the Clean Economy Bank consisting of seven members, including the Governor, who shall serve as Chairperson, and six appointed members;
- (2) An Advisory Board of Directors to enlist the help of private enterprise and to encourage active exercise of the purposes for which the bank is established; and
- (3) A Clean Economy Practitioners Advisory Board that includes:
 - (A) Representatives of the financial, business, non-profit, and public labor sectors;
 - (B) At least two members who are officers of banks or credit unions incorporated in the State; and
 - (C) At least four members who are non-residents of the State.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. While the purpose and intent of the proposed S.D. 1 is similar to this measure, the proposed S.D. 1 amends this measure by:

- (1) Amending the membership of the Board of Directors of the Clean Economy Bank by:
 - (A) Removing the Governor from the membership and requiring the seven members to be appointed by the Governor and subject to the advice and consent of the Senate, pursuant to section 26-34, Hawaii Revised Statutes;
 - (B) Including representatives of the financial, business, labor union, and nonprofit sectors; and
 - (C) Including at least three members who are current or former officers of banks or credit unions incorporated in Hawaii;
- (2) Eliminating the Advisory Board of Directors;
- (3) Amending the Clean Economy Practitioners Advisory Board by:
 - (A) Renaming it as the Advisory Council of Clean Economy Practitioners;
 - (B) Requiring the membership of the council to include representatives from the business, energy, environmental, and scientific sectors;
 - (C) Eliminating the requirement that the membership of the council include at least two members who are officers of banks or credit unions incorporated in the State and at least four members who are not residents of the State; and
 - (D) Requiring the council to meet quarterly, rather than biannually, with the management officers of the bank;
- (4) Eliminating the requirement that the Public Utilities Commission assess an unspecified charge on electric utility services to be used to capitalize the bank;
- (5) Authorizing the Clean Economy Bank to make, purchase, guarantee, or hold loans to agencies or instrumentalities of the State of Hawaii and of the counties in the State;
- (6) Establishing a list of priorities for loans and other forms of financing support for qualifying clean economy projects made by the bank; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee received testimony in support of the proposed S.D. 1 from Rebuild the Dream, Sonoma County Water Agency, Hawaii Laborers-Employers Cooperation and Education Trust, Clean Economy Development Center, Blue Planet Foundation, IMUAlliance, Coalition for Green Capital, Energy Programs Consortium, Hawaiian Electric Vehicle Network, Pacific Biodiesel, Inc., Greater Yuma Economic Development Corporation, a legislator from the Oregon State House of Representatives, and ten individuals. Your Committee received testimony in opposition to the proposed S.D. 1 from the Department of Budget and Finance and Hawaii Bankers Association. Your Committee received comments on the proposed S.D. 1 from the Department of Commerce and Consumer Affairs and Office of Information Practices.

Your Committee finds that Hawaii is a global leader in clean energy innovation. Entrepreneurs within Hawaii have developed innovative clean energy technology and brought these technologies to market within our State and around the world. Moreover, Hawaii is blessed with an abundance of renewable energy: heat from the sun and Earth's core never cease and winds from the northeast blow more or less constantly.

Your Committee also finds that green companies that grow our economy and create jobs face difficulties in raising capital. Lenders turn down would-be borrowers who fail to meet traditional lending criteria. Failing to obtain capital for start-up costs, these would-be innovators never get the opportunity to create green companies to help our ailing economy and ensure our energy independence.

Your Committee notes that approximately \$2,600,000,000 in qualified energy conservation bonds from the American Recovery and Reinvestment Act of 2009 remain unused. These bonds enable states and municipalities to finance clean economy projects at extraordinarily low rates. Most of the remaining bonds were allocated to municipalities in amounts too small for those municipalities to benefit from the low interest rate and economies of scale. Your Committee finds that a clean economy bank could help to pool these bond allocations among municipalities and states across the nation. Aggregating these bonds and aligning them for specific projects would enable states and municipalities to collaboratively raise more capital than either the states or municipalities could have leveraged individually.

Your Committee has amended the proposed S.D. 1 by:

- (1) Eliminating the requirement that qualifying clean economy projects be capable of being carried out within an unspecified number of years of the commencement of operation of the bank;
- (2) Authorizing the Board of Directors of the Clean Economy Bank to establish subsidiaries of the bank and serve as the board of those subsidiaries or appoint other individuals with appropriate experience to serve on the board for those subsidiaries;
- (3) Eliminating the requirement that the Department of Budget and Finance deposit monies from the general fund into the Hawaii first fund to capitalize the Clean Economy Bank;
- (4) Clarifying that the bank may raise capital through issuing its own tax credit bond offerings, such as qualified energy conservation bonds and similar instruments;
- (5) Authorizing one or more of the subsidiaries of the Clean Economy Bank, rather than the bank itself, to seek to qualify as a community development financial institution;

- (6) Inserting into the list of priorities for the bank's approval for loans or financial support, qualifying clean economy projects outside of Hawaii entered into by states, territories, and municipalities that have met the participation criteria established by the board;
- (7) Reducing the frequency of the examination of the Clean Economy Bank by the Department of Commerce and Consumer Affairs, from no less than once per calendar quarter to no less than once per calendar year;
- (8) Requiring the Clean Economy Bank to submit quarterly reports to the Department of Commerce and Consumer Affairs;
- (9) Clarifying that the annual report on the examination of the Clean Economy Bank shall be a public record subject to disclosure pursuant to chapter 92F, Hawaii Revised Statutes, unless nondisclosure is required by federal or state law;
- (10) Eliminating the requirement that the State guarantee all deposits in the Clean Economy Bank;
- (11) Eliminating the confidentiality requirement for internal or interagency memoranda or letters that would not be available by law to a party other than in litigation with the Clean Economy Bank;
- (12) Authorizing the Clean Economy Bank to enter into agreements with any entity authorized to issue bonds to pool allocations for the issuance of bonds;
- (13) Authorizing the total pool of allocations to exceed the state ceiling; provided that the entity with which the Clean Economy Bank enters into an agreement is authorized to issue bonds in accordance with the laws of any state of the United States of America; provided further that the State's allocation to the pool does not exceed the state ceiling, as defined in section 39C-1, Hawaii Revised Statutes; and
- (14) Making 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 H.B. No. 1033, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1033, H.D. 1, 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, 3, Ayes with Reservations (Ihara). Noes, 1 (Slom). Excused, 1 (Green).

SCRep. 2989 Energy and Environment on H.B. No. 2417

The purpose and intent of this measure is to amend the renewable energy technologies income tax credit ("tax credit") by increasing the maximum available amount of the tax credit and applying the credit on a per-property basis, as designated by tax map key number.

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 deletes the contents of this measure and inserts language to:

- (1) Eliminate the maximum available amount of the tax credit for solar electricity generating systems, unless the primary purpose of the solar energy system is to use energy from the sun to heat water for household use;
- (2) Amend the tax credit amounts for solar systems by categorizing them into utility scale and non utility scale systems and establishing the tax credits as follows:
 - (A) For solar electricity generating systems that are not utility scale, a tax credit of:
 - (i) Thirty-five percent of actual costs prior to the 2013 tax year and declining by five percent annually, ending at twenty percent during or after the 2015 tax year; or
 - (ii) Thirty-five percent of actual costs, if the system uses energy from the sun to heat water for household use; and
 - (B) For solar electricity generating systems that are utility scale, a tax credit that is based on production, rather than construction, in the amount of 11.5 cents per kilowatt hour generated during the first one hundred twenty months of the operation of a utility scale solar electricity generating system installed after the 2012 tax year;
- (3) Make conforming amendments to section 235-12.5(b), Hawaii Revised Statutes, to account for the elimination of the maximum amounts of tax credits available for solar electricity generating systems that are not utility scale;
- (4) Define "solar electricity generating system" and "utility scale solar electricity generating system";
- (5) Require tax filers claiming the tax credit for utility scale solar electricity generating systems to document each system's production for that tax year; and
- (6) Make the tax credit for solar electricity generating systems fully refundable without the necessity of reducing the eligible credit amount for systems installed during or after the 2016 tax year.

Your Committee received testimony in support of the proposed S.D. 1 from the Solar Energy Industries Association, Hawaii Solar Energy Association, Hawaii Renewable Energy Alliance, Hawaii PV Coalition, SunPower Systems Corporation, Provision Solar, Inc., R & R Solar Supply, Inter-Island Solar Supply, Forest City Hawaii, and three individuals. Your Committee received testimony in opposition to the proposed S.D. 1 from the Department of Business, Economic Development, and Tourism, Sunetric, and ten individuals. Your Committee received comments on the proposed S.D. 1 from the Department of Taxation, Tax Foundation of Hawaii, and AES Solar Power, LLC.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending this measure by:

- (1) Allowing utility scale solar energy projects with contracts approved by the Public Utilities Commission prior to the end of the 2013 tax year to have the option of using the tax credit as it existed on the date that the contract was submitted to the Public Utilities Commission, rather than using the new tax credit for utility scale solar electricity generating systems proposed by this measure;
- (2) Increasing the cap amounts of the tax credit that may be claimed for single-family residential and multi-family residential properties, if the primary purpose of the solar energy system is to use energy from the sun to heat water for household use; and
- (3) Clarifying that the only systems for which tax credits shall be fully refundable without the necessity of reducing the eligible credit amount for systems installed during or after the 2016 tax year, are non utility scale solar electricity generating systems.

Your Committee finds that this measure, as amended, addresses the challenges of the current tax credit in a way that does not compromise construction activity and employment generated by the solar industry. This measure resolves issues with the administrative efficiency of the tax credit and lowers the exposure of the general fund to the credit. It will achieve these results in a way that lowers the risks involved in investing in solar projects in Hawaii. Accordingly, this measure strikes an appropriate balance between the acceptable levels of exposure of the general fund to the tax credit and maintaining investment in the solar industry.

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. 2417, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2417, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 2990 (Joint) Human Services and Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on H.B. No. 1398

The purpose and intent of this measure is to encourage joint ventures with private parties for the development of public housing by:

- (1) Authorizing the Hawaii Public Housing Authority to develop public housing projects under a partnership or development agreement with a private party;
- (2) Providing exemptions from chapters 103 and 103D, Hawaii Revised Statutes, and other statutory requirements for competitive bidding for partnership or development agreements, construction contracts, or other contracts, if not prohibited by federal law or regulation; and
- (3) Requiring the Authority to submit an annual report on the status of all public housing projects being developed using partnership or development agreements.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Public Housing Authority of the Department of Human Services, and Department of Business, Economic Development, and Tourism. Your Committees received testimony in opposition to this measure from the State Procurement Office.

Your Committees find that Hawaii has over nine thousand families on its waiting list for public housing and an increasing number of homeless families seeking housing. Increasing the housing inventory of the Hawaii Public Housing Authority will have a significant and favorable impact to the low-income families in Hawaii who are in need of affordable housing.

Your Committees also find that the United States Department of Housing and Urban Development encourages utilizing the public-private partnership model for the improvement of public housing projects. This measure would authorize the Authority to enter into public-private partnerships for the increased development of new public housing developments and the improvement of existing public housing units.

Your Committees also note and share the concern expressed in the testimony of the State Procurement Office regarding the exemptions from chapters 103 and 103D, Hawaii Revised Statutes, and requirements of law for competitive bidding for partnership or development agreements, construction contracts, or other contracts, for the development of public housing projects pursuant to this measure. Your Committees therefore request the Hawaii Public Housing Authority to confer with the State Procurement Office to address and make recommendations to allay the concerns regarding the exemptions.

As affirmed by the records of votes of the members of your Committees on Human Services 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. 1398, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9, Ayes with reservations (Kidani, Ryan). Noes, none. Excused, 4 (Baker, Shimabukuro, Slom, Tokuda).

SCRep. 2991 (Majority) Education on H.B. No. 1457

The purpose and intent of this measure is to:

- (1) Require the University of Hawaii System to report annually to the Director of Finance for each semester of the previous school year:
 - (A) The number of undergraduate students who had sufficient credits to graduate but have not yet graduated;
 - (B) The number of undergraduate students who have completed more than an unspecified number of credits but have not yet declared a major; and

- (C) The additional cost to the University of Hawaii directly attributable to each student reported pursuant to subparagraphs (A) and (B);
- (2) Authorize the Director of Finance to assess the University of Hawaii for the additional cost to the State attributable to the students reported in paragraph (1); and
- (3) Require the University of Hawaii to transfer the amount assessed pursuant to paragraph (2) to the general fund.

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 amended this measure by deleting its contents and replacing it with the contents of H.B. No. 1674, H.D. 1, Regular Session of 2012, which extends the eligibility for financial aid, university services, and resident tuition to students of the University of Hawaii without lawful immigration status who meet certain specified criteria. In order to qualify for resident tuition, a resident noncitizen must have:

- (1) Attended a public or private high school in Hawaii for three or more years;
- (2) Graduated from a public or private high school in Hawaii or attained the equivalent thereof;
- (3) Registered at or be attending a campus within the University of Hawaii System; and
- (4) Filed an affidavit with the university stating that the student has filed an application to legalize the student's immigration status or will file an application as soon as the student is able to do so.

Your Committee received testimony in support of the proposed S.D. 1 from the University of Hawaii's System; Hawaii Commission on the Status of Women; American Civil Liberties Union of Hawaii; Hawaii Catholic Conference; Faith Action for Community Equity Maui; Hawaii's Friends of Civil Rights; United Filipino Council of Hawaii; Oahu Filipino Community Council; Nursing Advocates and Mentors, Inc.; Filipinos for Affirmative Action; Filipino Coalition for Solidarity; Filipino American Citizens League; Catholic Charities of Hawaii; Hawaii Coalition for Immigration Reform; Congress of Visayan Organizations; Progressive States Network; and thirteen individuals.

Your Committee finds that students who do not hold a lawful immigration status encounter extreme hardship attending public institutions of higher education in the State even though many of these students have lived in the State for the majority of their lives, have thrived socially and academically, and were unaware of their immigration status until they applied for admission to institutions of higher education. Permitting these students to access higher education with the same benefits as resident citizens is in the public interest as it will allow these students to fully realize their potential as productive members of society.

In addition, the University of Hawaii Associate Vice President for Student Affairs estimates that college graduates earn more than \$1,000,000 over their lifespan. Based on the calculations of the Associate Vice President, allowing students without lawful immigration status to receive higher education in Hawaii would enable them to earn approximately \$1,800,000,000 after graduation. Assuming that these graduates pay approximately twenty percent of their earnings in taxes to the State, the amount in taxes these graduates would contribute to the State over the course of their lives would equal approximately \$360,000,000. Therefore, failure to pass this measure would result in significant lost revenue for the State.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the 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. 1457, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1457, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 2992 (Joint) Economic Development and Technology and Water, Land, and Housing on H.B. No. 2682

The purpose and intent of this measure is to authorize the Department of Land and Natural Resources to:

- (1) Regulate commercial activities in state waters including those operations originating from private marinas; provided that no new or additional permits shall be required for those commercial activities regulated by any other chapter; and
- (2) Add definitions for "commercial activity" and "compensation".

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Environmental Caucus of the Democratic Party of Hawaii, Hawaii Nearshore Fishermen, and seven individuals.

Your Committees find that the Waianae coast is very popular for commercial activities, such as dolphin watching, snorkeling, and visiting a turtle cleaning station. These commercial ocean activities are provided by vendors who use the Waianae boat harbor and a private marina for launching their boats, and the area can become quite crowded. Your Committees further find that the commercial activities originating from private marinas are transiting within the schooling and spawning zones of akule and opelu, which has had a negative impact on the behavior and sustainability of these species. On the other hand, commercial activities originating from public facilities have been following an agreement with local fishermen to transit outside these zones in order to protect the habitat areas preferred by these species.

Your Committees find that this measure will allow the Department of Land and Natural Resources to manage the State's ocean resources more effectively and balance environmental needs with those commercial activities that contribute to the State's economic base.

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. 2682, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Slom, Tokuda).

SCRep. 2993 Water, Land, and Housing on H.B. No. 2595

The purpose and intent of this measure is to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners, upon ratification of an appropriate constitutional amendment.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Department of Budget and Finance; Land Use Research Foundation of Hawaii; Monsanto Company; Dole Food Company Hawaii; Hawaii Cattlemen's Council; Hawaii Farm Bureau Federation; Alexander and Baldwin, Inc.; Kau Farm Bureau; and one individual.

Your Committee finds that over eighty percent of the dams in Hawaii were constructed before 1940. Due to the age of the facilities and deferred maintenance, many dams of those pose a safety risk to life and property. Furthermore, new safety requirements pose a financial burden on many dam and reservoir owners. This measure provides a financing mechanism to assist the owners in compliance with those safety standards.

Your Committee has amended this measure by:

- (1) Clarifying that as a condition precedent to negotiating and entering into a project agreement, the State, rather than the Department of Budget and Finance, may require a further deposit as a security for the reimbursement;
- (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 H.B. No. 2595, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2595, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

SCRep. 2994 (Joint) Energy and Environment and Economic Development and Technology on H.B. No. 2262

The purpose and intent of this measure is to encourage development of Hawaii's renewable energy industry by broadening the ethanol facility income tax credit to apply to the construction of facilities for the production of various specified types of renewable fuels, including ethanol.

Your Committees received testimony in support of this measure from the Hawaii Renewable Energy Alliance, Pacific Biodiesel, Inc., Hawaii Bioenergy, LLC, H2 Technologies, Inc., and one individual. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism, Tax Foundation of Hawaii, and Pacific West Energy, LLC.

Your Committees find that Hawaii has tremendous potential to produce a range of advanced, high-density biofuels from locally produced feedstocks. This measure supports the fledgling industry by making investment more attractive and minimizing technology and capital risk. This measure also supports the industry by helping offset investment costs for the establishment of this promising industry.

Your Committees have amended this measure by:

- (1) Specifying that the tax credit applies only to specified renewable transportation fuels, and renaming the tax credit as the renewable transportation fuels production facility tax credit;
- (2) Decreasing the minimum production required to claim the tax credit by:
 - (A) Eliminating the requirement that the tax credit apply only to production facilities that have a nameplate capacity of not less than 28.75 billion British thermal units of renewable fuels;
 - (B) Eliminating the requirement that the production facility operate at a level of production of a minimum percentage of its nameplate capacity on an annualized basis; and
 - (C) Inserting a requirement that the tax credit be available to production facilities that produce not less than 15 billion British thermal units of renewable transportation fuels per year;
- (3) Making a conforming amendment to account for the reduction in the amount of fuel required to claim the tax credit, by clarifying that the definition of "credit period" begins from the first taxable year in which the production facility begins production at a level of at least fifteen billion British thermal units of renewable transportation fuels per year;
- (4) Making conforming amendments to account for the deletion of the definition of "nameplate capacity" and all references to "nameplate capacity";
- (5) Clarifying that "qualifying renewable transportation fuel production" means production of renewable transportation fuels from renewable feedstocks produced within the State; provided that the renewable transportation fuels shall be sold in the State;
- (6) Clarifying that a "qualifying renewable transportation fuels production facility" or "facility" excludes a facility that produces only propane;

- (7) Replacing the \$12,000,000 maximum aggregate amount of certified credits available per year with an unspecified maximum aggregate amount of credits;
- (8) Authorizing the Department of Business, Economic Development, and Tourism, in the event the amount of certified tax credits exceeds \$12,000,000, to either:
 - (A) Discontinue certifying credit and notify the Department of Taxation; or
 - (B) Increase the unspecified maximum aggregate amount of available credits to above \$12,000,000 per year according to the level of demand of qualified renewable transportation fuel production; provided that the department report the rationale and justification for any such increase to the Legislature;
- (9) Clarifying that the taxpayer claiming the tax credit is required to provide written notice to Department of Business, Economic Development, and Tourism of the taxpayer's intention to begin production of qualifying renewable transportation fuels, rather than notice of intent to begin construction of a qualifying renewable transportation fuels production facility;
- (10) Inserting a part II, containing the contents of S.B. No. 2666, S.D. 2, which:
 - (A) Provides for a biofuel production facility income tax credit, but modifying the language to make the biofuel production facility income tax credit fully refundable, rather than non-refundable; and
 - (B) Inserts a definition for "oil refinery" in the environmental impact statements law, which clarifies the circumstances under which an environmental assessment is required;
- (11) Changing the effective date to upon approval; provided that:
 - (A) The renewable transportation fuels production facility tax credit shall apply to taxable years beginning after December 31, 2012; and
 - (B) The biofuel production facility income tax credit shall apply to taxable years beginning after December 31, 2011; apply to qualified development and construction costs of qualified biofuel production facilities incurred on or after July 1, 2011, and before January 1, 2017; and be repealed on January 1, 2029; and
- (12) 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 H.B. No. 2262, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2262, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Senate President and Chair on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 1 (Green).

SCRep. 2995 Water, Land, and Housing on H.B. No. 1306

The purpose and intent of this measure is to provide for the development of affordable housing in a transparent and fiscally responsible manner by:

- (1) Deleting language allowing county affordable housing projects to have the same general excise tax and receipt tax exemptions as the Hawaii Housing Finance and Development Corporation (HHFDC);
- (2) Requiring all general excise tax exemption claims to be filed with the HHFDC and reviewed by HHFDC and the Department of Taxation prior to certification;
- (3) Requiring renewal certification every four years and an audit of each certification; and
- (4) Requiring an annual report to the Legislature of all the tax exemptions.

Prior to the hearing, your Committee posted a proposed S.D. 1 of this measure that increases the Hula Mae multifamily program revenue bond authorization from \$500,000,000 to \$750,000,000.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii Housing and Finance Development Corporation and Kauai County Housing Agency. Your Committee received comments on the proposed S.D. 1 from the City and County of Honolulu Office of Housing.

Your Committee finds that the Hula Mae multifamily program has been a successful financing tool to support affordable housing and that additional bond authority is necessary to ensure its continued use.

Accordingly, your Committee has amended this measure by adopting the provisions of the proposed 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 H.B. No. 1306, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1306, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

SCRep. 2996 Water, Land, and Housing on H.B. No. 2883

The purpose and intent of this measure is to require the Department of Land and Natural Resources to conduct a flood study for Makaha Valley and appropriate funds for the study.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Makaha Hawaiian Civic Club, a councilmember from the Honolulu City Council, and four individuals.

Your Committee finds that Makaha Valley has a long history of flooding that has threatened lives and caused serious property damage. In order for proper analyses, recommendations, and cost estimates to be made, detailed hydrologic and hydraulic modeling would need to be performed, topographic data would need to be collected, and investigations and interviews relating to flood incidents and histories would need to be conducted. The study is estimated to require \$500,000 in funding.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language to require the Department of Land and Natural Resources to investigate all potential funding sources for the study and any repairs and improvements recommended by the study; 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. 2883, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2883, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

SCRep. 2997 (Joint) Public Safety, Government Operations, and Military Affairs and Economic Development and Technology and Water, Land, and Housing on H.B. No. 2872

The purpose and intent of this measure is to allow aerospace high technology parks to be located on lands within agricultural districts.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, Office of Planning, and The Chamber of Commerce of Hawaii. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that aerospace high technology parks will offer educational and career opportunities to students of the University of Hawaii at Hilo, which will make the University of Hawaii at Hilo more attractive to future students and will provide opportunities for the commercialization of intellectual property developed at the university of Hawaii at Hilo through research dollars invested in the university. Your Committees also find that an aerospace high technology park will create an additional influx of research dollars through the nexus that such a park and its participants will have with the university.

Additionally, your Committees believe that places like Hilo should be designed around the concept of "Main Street" as a place of traditional values. Main Street communities and architecture represent the interests of everyday working-class people and small business owners. In small towns across the United States, Main Street is not only the major road running through town but also the site of all street life and activities.

Your Committees have amended this measure by deleting its contents and inserting language to temporarily establish an aerospace high technology district in the County of Hawaii, extending for a distance to three miles out from downtown Hilo, that is eligible for benefits pursuant to this measure, as more particularly designated by the Department of Business, Economic Development, and Tourism.

Your Committees envision an aerospace high technology district in Hilo to be similar in concept to the 'Imiloa Astronomy Center in Hilo, which is an economic development project made possible by the federal American Recovery and Reinvestment Act of 2009. The 'Imiloa Astronomy Center is located above the University of Hawaii Hilo campus. The center has forty thousand square feet of planetarium and exhibition space, which was funded primarily by the National Aeronautics and Space Administration. 'Imiloa means "seek and explore" in Hawaiian and the center seeks to merge Hawaiian and Polynesian culture with astronomy through the one hundred or more exhibits and displays presented in English and Hawaiian.

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 Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2872, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2872, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Shimabukuro, Tokuda, Wakai).

SCRep. 2998 Public Safety, Government Operations, and Military Affairs on H.B. No. 2751

The purpose and intent of this measure is to implement the Legislature's inherent authority established under article III, section 18, of the Hawaii State Constitution to take action against disorderly or contemptuous behavior committed before a legislative body.

Your Committee received testimony in support of this measure from the House Sergeant-at-Arms and three individuals. Testimony in opposition was received from the Hawaii Citizens for the Separation of State and Church and three individuals. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that this measure is necessary to implement the Legislature's inherent authority, established under article III, section 18, of the Hawaii State Constitution. While instances of contemptuous behavior are rare, your Committee believes that the law needs to be updated to address such possible behavior that can occur at any time.

A member of your Committee is of the opinion that the description of the holding of a United States District Court decision and the recitation of facts of the incident upon which that court decision is based is questionable. Your Committee nonetheless wishes to make clear that this measure does not arise from and is not focused upon that incident or any particular individual.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting language to establish the petty misdemeanor offense of disrespect of a house of the Legislature, on the recommendation of the Attorney General; and
- (2) Changing the effective date to July 1, 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 H.B. No. 2751, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2751, 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, Ayes with Reservations (Kidani, Ryan). Noes, none. Excused, none.

SCRep. 2999 (Joint) Agriculture and Public Safety, Government Operations, and Military Affairs on H.B. No. 2244

The purpose and intent of this measure is to require the Department of Agriculture to adopt, amend, and repeal rules to enable the Department to establish, maintain, and enforce compliance agreements with federal or state departments of agriculture, and to assess fees for conducting inspections required under compliance agreements.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau Federation, The Nature Conservancy of Hawai'i, and one individual.

Your Committees find that the impact of invasive species to Hawaii's agriculture, environment, natural resources, public health, and economy requires the State to have an effective biosecurity program. Due to an insufficient number of agriculture inspectors, it is important that the Department of Agriculture have the authority to enter into compliance agreements with the United States Department of Agriculture and other state departments of agriculture which will allow for greater collaboration and cooperation in biosecurity.

Your Committees have amended this measure by:

- (1) Adding language to clarify that this measure directs the Department of Agriculture to adopt, amend, or repeal rules to enable the Department to establish, maintain, and enforce compliance agreements with federal and state departments of agriculture specifically as to the import and export of plant commodities; 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 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. 2244, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2244, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Chun Oakland, Ryan, Slom, Tokuda).

SCRep. 3000 Agriculture on H.B. No. 1947

The purpose and intent of this measure is to strengthen the Department of Agriculture's safety and security program by, among other things:

- (1) Requiring the Department of Agriculture to adopt generally accepted agricultural and management practices;
- (2) Authorizing the Department of Agriculture to establish a program to audit and certify that producers are following the generally accepted agricultural and management practices; and
- (3) Establishing the agricultural practices audit and certification revolving fund to establish and maintain the generally accepted agricultural and management practices program.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation; Big Island Farm Bureau; Maui County Farm Bureau; Mikilua Farm Bureau Center; Hawaii Crop Improvement Association; Hawaii Cattlemen's Council, Inc.; Land Use Research Foundation of Hawaii; Hawaii Aquaculture and Aquaponics Association; Maui Cattlemen's Association; Hamakua Farm Bureau; Ulupalakua Ranch; and seven individuals. Your Committee received testimony in opposition to this measure from Hawaii Farmers Union United, Kokuakats Farm, Kanalani Ohana Farm, Hawaii Tropical Fruit Growers, and twenty-eight individuals. Your Committee received comments on this measure from the Department of Agriculture and Department of Budget and Finance.

Your Committee finds that increased globalization and changes in food management have introduced a number of new risks to the food supply system that occur at all levels of food production and management. Your Committee is aware of the United States Food and Drug Administration's current efforts to implement the Food Safety Modernization Act of 2010 and recognizes the State's need to be prepared to meet federal food safety standards. Your Committee further recognizes the concern that having numerous private food safety certification programs in place hinders local farmers and understands the desire for a uniform standard for food safety certification.

While some individuals and organizations may view the audit and certification program established by this measure as premature and differ in opinion as to which food safety standards should be followed, this measure will provide a first step in establishing uniform, statewide standards for good agricultural practices.

As this measure progresses through the legislative process, your Committee requests that the funding for this program be further examined. While this measure creates a new special fund, this special fund is supported by fees from audits and certifications and any funds provided by other governmental agencies and nonprofit organizations. Your Committee understands the need to refrain from relying on general funds to support this program; however, since the program is voluntary there are concerns that the limited funds will be insufficient to support the audit and certification program.

Your Committee has amended this measure by:

- (1) Amending the preamble by removing specific references to incidences of risks in the food supply system;
- (2) Adding language to the preamble to better reflect the intent of this measure;
- (3) Changing all references to “generally accepted agricultural and management practices” to “good agricultural practices”;
- (4) Adding language to allow the Department of Agriculture to receive additional funds from other governmental agencies and other nonprofit organizations and requiring these funds to be deposited into the agricultural practices audit and certification revolving fund;
- (5) Adding a definition for the term “producer”;
- (6) Authorizing, rather than mandating, the Department of Agriculture to adopt good agriculture practices;
- (7) Reinstating the authorization of the Department of Agriculture to designate any employee to conduct audits and certifications at the request of persons having a financial interest in the business or product;
- (8) Removing the amendment to section 147-115, Hawaii Revised Statutes, stating that a certificate issued by the Department of Agriculture under its agricultural safety and security program or under the authority of the Congress of the United States for matters relating to agricultural safety and security shall indicate that a producer has complied with generally accepted agricultural and management practices for purposes of chapter 165, Hawaii Revised Statutes;
- (9) Adding language to exempt producers of raw unprocessed or processed honey who do not have access to municipal water supplies or infrastructure from processing the honey in a food processing establishment certified by the Department of Health if the producers:
 - (A) Comply with rules adopted by the Department of Health to protect the health and safety of the public;
 - (B) Use water that has been treated to meet or exceed state and federal drinking water standards;
 - (C) Test the water used for processing honey no less than once a month, maintain water quality records for a period of no less than two years, and make those records available to the Department of Health upon request; and
 - (D) Prepare the honey adjacent to hand-washing facilities;
- (10) Adding language to exempt home-based agricultural producers of less than five hundred gallons of honey a year from the requirement that honey be processed in a certified honey house or food processing establishment, or be required to obtain a permit from the Department of Health, if the producer sells the honey directly to consumers or to a retail store that in turn sells the honey directly to consumers, and meets certain labeling requirements; and
- (11) Changing the effective date to July 1, 2025, and adding language to repeal the good agricultural practices audit and certification program and the agricultural practices audit and certification revolving fund on June 30, 2015.

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. 1947, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1947, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Senate President on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun Oakland, Slom, Tokuda, Wakai).

SCRep. 3001 (Joint) Human Services and Judiciary and Labor on H.B. No. 2448

The purpose and intent of this measure is to assist the Department of Human Services in recovering monies owed by third parties responsible for injuries to Medicaid patients. Specifically, this measure:

- (1) Establishes a formula for calculating the amount to be contributed by the State toward a claimant’s attorney’s fees and costs, in lieu of recovering the full amount;
- (2) Defines the term “medical institution”;
- (3) Clarifies that the lien amount in the Notice of the Lien sent by the Department of Human Services for reimbursement of Medicaid benefits shall be accompanied by an itemized list of payments made by the Department; and
- (4) Requires the entire lien amount to be presumed to be valid absent a good faith basis contesting the amount or validity of specific line item charges in the lien.

Your Committees received testimony in support of this measure from the Department of Human Services, Department of the Attorney General, and Hawaii Association for Justice.

Your Committees find that this measure will assist the Department of Human Services in the Department's collections of reimbursements for Medicaid liens, improve Medicaid program integrity, and ensure that funding for the Medicaid program is used to provide health insurance coverage to those truly in need by:

- (1) Determining whether or not a lien may be properly placed on a Medicaid recipient's real property;
- (2) Reducing the need for a court hearing to prove the amount of the lien and expediting the determination of the amount of restitution that must be paid;
- (3) Establishing a formula to resolve the issue as to what amount should be contributed by the State toward a claimant's attorney's fees and costs; and
- (4) Clarifying the amount that a Medicaid recipient must reimburse Medicaid for benefits paid out.

Your Committees have amended this measure by:

- (1) Changing the effective date from January 7, 2059, to July 1, 2050, to ensure 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 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. 2448, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2448, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3002 (Joint) Human Services and Judiciary and Labor on H.B. No. 2302

The purpose and intent of this measure is to:

- (1) Temporarily exempt from the state and county civil service, for any county with a population over 500,000:
 - (A) Persons hired or contracted to repair and maintain vacant housing units under the jurisdiction of the county, Hawaii Public Housing Authority, or Hawaii Housing Finance and Development Corporation; and
 - (B) Persons hired or contracted to perform planning, design, engineering, or permit processing work for state or county capital improvement projects; and
- (2) Appropriate an unspecified dollar amount out of general obligation bond revenues to the Hawaii Public Housing Authority for renovating uninhabitable public housing units.

Your Committees received testimony in support of this measure from the Hawaii Public Housing Authority of the Department of Human Services, Office of Hawaiian Affairs, Catholic Charities Hawai'i, Partners in Care, and one individual. Your Committees received testimony in opposition to this measure from the American Council of Engineering Companies of Hawaii; American Institute of Architects; Hawaii Government Employees Association; and United Public Workers, AFSCME, Local 646, AFL-CIO. Your Committees received comments on this measure from Building Industry Association of Hawaii.

Your Committees find Hawaii is in great need of affordable housing. The long waiting list for a public housing unit is due in part to the insufficient number of public housing units and the uninhabitable conditions of existing public housing units. This measure would enable the quick and efficient expenditure of capital improvement program funds allocated in the current biennium budget.

Your Committees also find that this measure, as currently drafted, exempts from state and county civil service, persons hired or contracted to perform planning, design, engineering, or permit processing for state or county capital improvement projects. This exemption is too broad as it applies to all capital improvement projects. Professional and privately owned firms that are contracted to do capital improvement projects are already exempt from civil service. This exemption would result in persons being hired in a manner that would circumvent well-established, open, and transparent processes for the procurement of professional services.

Your Committees expressed their concerns regarding privatizing government work in statute and believe the idea of privatization should be addressed holistically rather than through legislation. Your Committees therefore request the American Council of Engineering Companies of Hawaii; American Institute of Architects; Hawaii Government Employees Association; and United Public Workers, AFSCME, Local 646, AFL-CIO, to assist the Hawaii Public Housing Authority in developing initiatives to accelerate renovation projects of public housing units.

Your Committees also request the Senate Committee on Ways and Means to designate that the general obligation bond revenues appropriated to the Hawaii Public Housing Authority to renovate public housing units as indicated in this measure also be used for the planning, design, and program management of public housing projects.

Your Committees have therefore amended this measure by:

- (1) Deleting part I and the language that provided temporary exemptions from state and county civil service; 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2302, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2302, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3003 Economic Development and Technology on H.B. No. 2869

The purpose and intent of this measure is to amend the motion picture, digital media, and film production income tax credit by:

- (1) Providing for the separate calculation of a new tax unspecified credit on wages and salaries included in qualified production costs;
- (2) Requiring the Department of Business, Economic Development, and Tourism to submit a report to the Governor and Legislature no later than twenty days prior to the convening of the regular sessions of 2015, 2020, and 2025, on the economic impact of the tax credits;
- (3) Increasing the credit ceiling per qualified production to an unspecified amount from \$8,000,000;
- (4) Adding definitions for “animation” and “resident of the State”, and amending other definitions with conforming or clarifying amendments; and
- (5) Extending the sunset date of the tax credit from January 1, 2016, to January 1, 2025.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii; ILWU Local 142; Screen Actors Guild; International Alliance of Theatrical Stage Employees Mixed Local 665; American Federation of Musicians Local 677, Hawaii Teamsters Local 996; Blind Man Sound LLC; NBC Universal Media, LLC; Continuum Icon; Crossroads Productions, Inc.; Hawaii Media Inc.; Infinite Entertainment Now; Island Film Group; Punahele Productions, Inc.; Tetris Online, Inc.; The Hollywood Hawaii Media Alliance; Sovereign Councils of Hawaiian Homelands Assembly; Kukui Entertainment, LLC; 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 Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii.

Your Committee finds that this measure addresses only a few of the legislative initiatives introduced this session to enhance the motion picture, digital media, film production, and creative media industries in Hawaii. As such, your Committee has amended this measure by deleting its contents and replacing them with the language in S.B. No. 2111, S.D. 2, Relating to Film and Digital Media Industry Development, to develop a comprehensive strategy to expand Hawaii’s nascent film and digital media industry clusters into a \$1,000,000,000 industry that can support 10,000 high-quality jobs by 2020.

Given Hawaii’s isolated location in the middle of the Pacific, your Committee recognizes the need to combine Hawaii’s strengths in film and digital media production with its demonstrable achievements in marketing and promotion of Hawaii’s people, places, and culture. Such an approach creates synergies between the film and digital media and visitor sectors that can yield substantial economic growth in the form of increased spending on local jobs for talent, technical services, management, and support. It also promotes development of a skilled film and digital media workforce; increases the numbers of local residents employed in film and television production; promotes development of new Hawaii businesses, jobs, and skill-sets; and promotes increased visitor spending to and from Hawaii and within the State.

To achieve a practical combination of film and digital media incentives to achieve steady economic growth toward a billion dollar industry, your Committee has examined other jurisdictions’ incentives, and finds that Hawaii is ranked dead last (21st out of 21 jurisdictions) in terms of “net affordability” under its current production credits in comparison with such locations as Detroit, Michigan; Calgary, Alberta; Shreveport, Louisiana; Birmingham, Alabama; Toronto, Ontario; Montreal, Quebec; Atlanta, Georgia; Chicago, Illinois; Vancouver, British Columbia; Wilmington, North Carolina; Albuquerque, New Mexico; San Juan, Puerto Rico; New York, New York; Philadelphia, Pennsylvania; Boston, Massachusetts; Austin, Texas; Providence, Rhode Island; Miami, Florida; Stamford, Connecticut; and Nashville, Tennessee.

In response to questions posed by your committee, the NBC Universal Media testifier noted that increasing the Act 88, Session Laws of Hawaii 2006, production credits by ten percent would greatly improve Hawaii’s competitiveness among other production locations by moving it within the top ten tier of production sites. As such, your Committee believes that the following combination of film and digital media incentives and agency workflow changes offer the greatest level of benefit to the State of Hawaii and its residents:

- (1) Production Credits: Establish an incremental increase of ten percent beyond the existing fifteen to twenty percent production tax credits, tied to the hiring and verification of local residents;
- (2) Eligibility: Set a \$50,000 threshold for the production tax credits for digital media and independent emerging media projects (which include animation, music, videogames, and special effects) to encourage the development of more Hawaii-based businesses in this sector, and expand the film and digital media workforce;
- (3) Film and Digital Media Infrastructure Credits: Establish tax credits to support development of additional film and media production facilities, with a repayment schedule to repay the credits once the new facilities are operational;
- (4) Expanded Promotion and Marketing: Capitalize on current initiatives between Hawaii’s visitor industry and film and digital media projects to expand the State’s reach beyond the United States to Asia-Pacific and global markets;
- (5) Data Collection: Streamline workflow and provide greater transparency in the collection of data to support the hiring of larger numbers of local residents and Hawaii businesses, and annual reporting on the numbers of projects, jobs created, expenditures, and aggregate wages and salaries taking place within the State to assure that the level of tax revenues generated and jobs created exceeds the cost of the tax credits; and

- (6) Investment: Designate ongoing sources of revenue for the Hawaii film and digital media special fund to support industry growth through filmmaking grants, film festivals, internships and training programs, and other activities.

Finally, your Committee notes that the film and digital media industry development effort outlined above may well require a level of teamwork that builds upon the Hawaii Tourism Authority's strategic planning, marketing, and implementation strengths, as well as the reengineering efforts of the Department of Accounting and General Services; Department of Business, Economic Development, and Tourism; Department of Taxation; and the guidance of film and digital media industry leaders.

As amended by your Committee, this measure:

- (1) Establishes the Hawaii film and digital media special fund, and repeals part IX, chapter 201, Hawaii Revised Statutes, relating to Hawaii television and film development (part II);
- (2) Amends the motion picture, digital media, and film production income tax credit to add an additional credit for an unspecified per cent of the qualified production costs paid to legal residents of this State and to Hawaii vendors and Hawaii suppliers; amends the total tax credit cap to an unspecified amount; requires annual reporting; increases requirements for hiring of legal residents of this State; and applies to qualified expenditures incurred on or after July 1, 2012, and before January 1, 2027 (part III);
- (3) Establishes a motion picture, digital media, and film production infrastructure tax credit of fifty per cent of qualified infrastructure costs; requires qualified expenditure of at least \$10,000,000; increases requirements for hiring of legal residents of this State; requires the credit to be repaid through an annual payment to the State equal to fifteen per cent of the qualified infrastructure project's taxable income until the credit has been repaid; provides for a 100 per cent recapture of the tax credit if the facilities are no longer used for a qualified activity; requires annual reporting; applies to taxable years beginning after June 30, 2012 (part IV);
- (4) Appropriates funds for additional resource and staffing support to assist state agencies in collecting and reporting annually on estimates of the full-time equivalent positions for legal Hawaii residents by each production receiving tax credits;
- (5) Deletes the motion picture, digital media, and film production income tax credit sunset date of July 1, 2016; and
- (6) Takes effect on July 1, 2012, and repeals on January 1, 2027.

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. 2869, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2869, 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. 3004 (Joint) Economic Development and Technology and Water, Land, and Housing on H.B. No. 1972

The purpose and intent of this measure is to clarify that the fees charged by the state historic preservation division program are proportional to the nature and complexity of the projects or services provided, and adjusted from time to time to ensure that the proceeds, together with all other fines, income, and penalties collected under this chapter, do not surpass the annual operating costs of the comprehensive historic preservation program.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and Historic Hawaii Foundation. Your Committees received comments on this measure from the Legislative Committee of the Society for Hawaiian Archaeology.

Your Committees find that the Department of Land and Natural Resources' state historic preservation division program charges various fees when carrying out its regulatory reviews pursuant to sections 6E-7, 6E-8, 6E-42, and 6E-43.5, Hawaii Revised Statutes. The fees imposed for reviewing documents subject to these sections of the statute are set by Hawaii Administrative Rules 13-275 and 13-284, which were subject to public hearings. Your Committees have been informed that these public hearings resulted in many comments that significantly improved prior drafts of these rules, and that any future rule changes should also be subject to public comment.

Your Committees also note that a recommendation has been made to retain the current language that the fees partially defray the costs of administering specific programs in order to more accurately portray the role that fees play in the state historic preservation division program's overall budget, and to include language that restricts the expenditure of monies raised from review fees to support for the staff which do the reviews. Your Committees urge the Department of Land and Natural Resources to continue to work with interested stakeholders to ensure that the language is sufficiently clear in meeting the intent of this measure.

Your Committees have also been in discussions with the state historic preservation division program regarding the program's role in ensuring appropriate signage for historic and cultural properties and have amended this measure to incorporate recommendations developed through these discussions.

Your Committees have amended this measure accordingly, by:

- (1) Authorizing the Hawaii Historic Places Review Board to develop policies on signage in historic districts; and
- (2) Inserting an effective date of upon its approval.

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. 1972,

H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1972, 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 (Fukunaga, Slom, Tokuda).

SCRep. 3005 (Majority) Judiciary and Labor on H.B. No. 2264

The purpose and intent of this measure is to increase the contribution rates of employers to the unemployment compensation fund up to a maximum of 6.6 percent. Specifically, this measure:

- (1) Increases the employer's maximum unemployment insurance contribution rates under section 383-68(d), Hawaii Revised Statutes, in twenty-one of the one hundred eighty tax rates in the tax schedule system on a graduated basis beginning on July 1, 2013; and
- (2) Makes housekeeping amendments to section 383-66, Hawaii Revised Statutes, relating to the determination of the standard rate of employer contributions.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations.

Your Committee finds that the existing contribution rate schedule under section 383-68(d), Hawaii Revised Statutes, consists of eight tax schedules ranging from the lowest schedule at A to the highest schedule at H. The maximum tax rate is 5.4 percent for each schedule. This measure increases an employer's maximum unemployment insurance contribution rates in twenty-one of the one hundred eighty tax rates in the tax schedule system on a graduated basis up to a maximum rate of 6.6 percent.

The Department of Labor and Industrial Relations indicated that it cannot perform mid-year rate recalculations without a complete redesign of the existing unemployment insurance tax system, including its software and web-based applications. Accordingly, your Committee has amended this measure by adopting the suggestion made by the Department to change the effective date from July 1, 2013, to January 1, 2013, to avoid an expensive redesign of the unemployment insurance tax system.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2264, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2264, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 2 (Gabbard, Ihara).

SCRep. 3006 (Joint) Judiciary and Labor and Commerce and Consumer Protection on H.B. No. 1295

The purpose and intent of this measure is to address the problem of unlicensed contracting by:

- (1) Amending the Penal Code to establish criminal offenses and penalties for unlicensed contracting activity, habitual unlicensed contracting activity, and unlicensed contractor fraud;
- (2) Excluding penal offenses for a first instance involving the inadvertent failure of a licensee to renew a previously existing license;
- (3) Establishing an affirmative defense if the unlicensed activity performed by a licensed contractor falls outside the scope of the contractor's license; and
- (4) Amending section 486B-27, Hawaii Revised Statutes, to conform to the new criminal unlicensed contracting offenses established in the Penal Code.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations; Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs; Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs; Department of the Prosecuting Attorney of the City and County of Honolulu; General Contractors Association of Hawaii; Subcontractors Association of Hawaii; William C. Loeffler Construction, Inc.; Maui Contractors Association; Hawaii Island Contractors' Association; Alan Shintani, Inc.; Building Industry Association of Hawaii; Laborers' International Union of North America Local 368; Complete Construction Services; The Pacific Resources Partnership; HPS Construction Services, Ltd.; and one private individual. The Department of the Attorney General submitted comments.

Your Committees find that instances of unlicensed contracting range from persons with experience who ultimately work toward and obtain licensure, to persons with little or no experience who most likely would not qualify for licensure, and to those with little or no intention to complete work for monies received. This measure seeks to effectively deter a range of unlicensed contracting activity.

Your Committees further find that this measure is the product of the task force that was created pursuant to H.C.R. No. 286, H.D. 1 (2011), to facilitate better enforcement of unlicensed contracting activity. The task force created a subgroup called the Law Enforcement Small Working Group. The working group found that although unlicensed activity is a misdemeanor under existing law, enforcement would be enhanced if there were specific sections added to the Penal Code that established criminal offenses for unlicensed contracting activity, habitual unlicensed contracting activity, and unlicensed contractor fraud.

Your Committees note that this measure is intended to address egregious unlicensed contracting activity, including chronic and repeat unlicensed contracting activity. This measure is not intended to cover inadvertent oversights by licensees in complying with the licensing law.

While your Committees appreciate the efforts of the task force and stakeholders, your Committees recognize that this measure is still a work in progress. The Department of the Attorney General raised several concerns regarding the language in this measure.

Thus, your Committees urge the stakeholders to continue discussions to streamline the language in this measure as it moves to the Committee on Ways and Means.

Accordingly, your Committees have amended this measure by:

- (1) Adopting the amendments proposed by the General Contractors Association of Hawaii that:
 - (A) Clarify under the offense of unlicensed contracting activity that such activities are exempt if performed by a previously licensed contractor who inadvertently failed to maintain licensing requirements under chapter 444, Hawaii Revised Statutes, rather than to apply to only first-time offenders; and
 - (B) Address the instances of multiple offenses for the same job by clarifying that the same unlicensed activity that continues for more than one day should be considered a single conviction unless written notice is given and the unlicensed activity continues;
- (2) Amending the monetary penalty values associated with unlicensed contractor fraud by:
 - (A) Deleting language that established unlicensed contractor fraud as a class A felony if the total value of all monies and assets paid or lost by the victim is \$100,000 or more;
 - (B) Establishing unlicensed contractor fraud as a class B felony if the total value of all monies and assets paid or lost by the victim is \$20,000 or greater; and
 - (C) Establishing unlicensed contractor fraud as a class C felony if the total value of all monies and assets paid or lost by the victim is less than \$20,000; 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 Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1295, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1295, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Green, Ihara, Solomon, Slom).

SCRep. 3007 Judiciary and Labor on H.B. No. 1800

The purpose and intent of this measure is to appropriate funds through the supplemental appropriations bill for the operating and capital improvement costs for the Judiciary for fiscal year July 1, 2012, through June 30, 2013.

Your Committee received testimony in support of this measure from the Judiciary and the Domestic Violence Action Center.

The Judiciary recognizes that the State's economy is still in the initial stages of recovery and that it is necessary to replenish the State's rainy day and hurricane relief funds, restore funding to certain state core functions, and attend to numerous other situations resulting from the economic downturn. As such, the Judiciary attempted to strike a balance between significant additional operational program requirements and the limitations on general fund resources. Accordingly, the Judiciary's supplemental appropriations bill budget request for fiscal year 2012-2013 focuses on maintaining its existing infrastructure, providing limited resources to ensure the safety and security of juveniles held at the Hale Hoomalu Juvenile Detention Facility at Kapolei, and continuing certain essential services jeopardized due to recent budget cuts.

The economic downturn that resulted in the slowed rate of growth in general fund revenue collections for the current fiscal biennium caused the Judiciary to experience financial constraints. Specifically, between fiscal years 2009 and 2011, the Judiciary's budget base was reduced by 13.1 percent, or a total of \$19,000,000, and seventy-nine vacant positions, or four percent of its authorized permanent staff, were eliminated. As a result, the Judiciary took various cost cutting measures, including significantly reducing expenditures for electricity, purchase of service contracts, guardian ad litem and legal counsel services, per diem judges, overtime, repair and maintenance, travel, temporary hire positions, supplies, and other miscellaneous items. Additionally, during the twenty months that furloughs were in effect in the Judiciary, more than six hundred thousand staff hours were lost. The Judiciary is still feeling the impact of these budget and personnel reductions, which have resulted in the delay of some cases and hearings and the elimination or reduction of services.

Your Committee further finds that with regard to capital improvement projects, the Judiciary is mindful of the initiative to emphasize projects that stimulate the economy. The Judiciary has proposed several capital improvement projects that will help to stimulate the economy while addressing concerns regarding its facilities and components that are aging and deteriorating.

Accordingly, your Committee has amended this measure to restore the 2012-2013 fiscal year budget requests of the Judiciary, in part through amending various program appropriations of the Judiciary and capital improvement project appropriations of the Judiciary.

Specifically, your Committee has amended this measure by among other things:

- (1) Adding appropriations for eight permanent positions (two judges, four clerks, and two bailiff positions) and related funding of \$535,368 for the Family Court in the First Circuit;
- (2) Appropriating \$500,000 in general funds under JUD601 to be expended by the Judiciary for a statewide established methamphetamine prevention program for Hawaii teenagers;
- (3) Reinstating budgetary requests made by the Judiciary to:

- (A) Add three juvenile detention worker positions and related funding of \$86,859 for the detention home in Kapolei;
 - (B) Add two community service sentencing program intake worker positions and related funding of \$62,824.50 for Maui;
 - (C) Appropriate \$186,000 to the Maui and Molokai Drug Court's in-custody substance abuse treatment program at the Maui Community Correctional Center;
 - (D) Increase the ceiling of the indigent legal assistance fund to \$1,900,000;
 - (E) Appropriate an additional \$540,000 in capital improvement funds for exterior improvements of Ali'iolani Hale; and
 - (F) Appropriate \$250,000 in capital improvement funds for an environmental analysis on the status offender shelter and juvenile services center site on Alder Street; 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. 1800, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1800, 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. 3008 Judiciary and Labor on H.B. No. 2487

The purpose and intent of this measure is to harmonize the service retirement, ordinary disability retirement, and ordinary death benefits for members of the Employees' Retirement System who become members after June 30, 2012, and restore parity with respect to age and service requirements for retirement for current members who become judges after June 30, 2012. Specifically, this measure:

- (1) Restores parity between judges and other contributory plan members with respect to age and service requirements for retirement;
- (2) Deletes water safety officers from the list of individuals who join the Employees' Retirement System as contributory members after June 30, 2012, as this category no longer applies because officers becoming members after June 30, 2012, are Hybrid Plan members;
- (3) Applies the same benefit multiplier for service retirement benefits and ordinary disability benefits for Hybrid Plan members who become members of the Employees' Retirement System after June 30, 2012;
- (4) Makes the service requirement for payment of the Hybrid Plan hypothetical account balance as an ordinary death benefit for an individual who becomes a member after June 30, 2012, the same as the service requirement for an inter vivos withdrawal by the member after the member has terminated service; and
- (5) Makes various housekeeping amendments to correct typographical errors and avoid confusion.

Prior to the hearing of this measure, your Committee posted a proposed S.D. 1 for review and comment. The proposed S.D. 1 creates two parts, retaining the language of this measure under part I and inserting into part II language from S.B. No. 2750, S.D. 1 (Regular Session of 2012) that addresses the Employees' Retirement System's unfunded liability and helps ensure the system's future sustainability by:

- (1) Requiring a public employee's last state or county employer to pay to the Employees' Retirement System the present value of additional benefits resulting from spiking; and
- (2) Limiting the amount of compensation included in the average final compensation of Employees' Retirement System members by excluding from the calculation of average final compensation late career spikes in an employee's compensation attributable to non-base pay compensation, such as overtime, by establishing the following criteria:
 - (A) For employees who become members after June 30, 2012: Limits the amount of compensation that can be included in the calculation of the member's retirement benefits if the member's non-base pay during the member's high-five years exceeds limits based on the average of the member's base pay during the last ten years of the member's service; and
 - (B) For employees who become members before July 1, 2012: Limits the amount of compensation that can be included in the calculation of the member's retirement benefits if the member's non-base pay during the member's high-three or high-five years exceeds limits as noted above; provided that this limitation will apply only to compensation, pay, or salary that will be earned after June 30, 2015.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Budget and Finance, Employees' Retirement System, and one private individual. Testimony in opposition to the proposed S.D. 1 was submitted by the Police Department of the City and County of Honolulu; Department of Fire and Public Safety of the County of Maui; Honolulu Fire Department of the City and County of Honolulu; United Public Workers, AFSCME Local 646, AFL-CIO; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and Hawaii Fire Fighters Association, IAFF Local 1463, AFL-CIO. The Emergency Services Department of the City and County of Honolulu, and Department of Budget & Fiscal Services of the City and County of Honolulu submitted comments.

Your Committee finds that the proposed S.D. 1 makes several amendments to the pension and retirement laws in order to clarify benefit changes made under Act 163, Session Laws of Hawaii 2011. The purpose of Act 163 was to make various revisions to the Employees' Retirement System in order to reduce the system's unfunded liability. These amendments harmonize the service

requirements and ordinary death benefits for individuals who become members of the Employees' Retirement System after June 30, 2012, as a result of Act 163.

In particular, your Committee notes that prior to the enactment of Act 163, Session Laws of Hawaii 2011, the age and service requirements for retirement for judges were the same as for other contributory plan members who became members of the Employees' Retirement System at the same time. However, Act 163 establishes more stringent age and service requirements for retirement by individuals who become members after June 30, 2012, and for current system members who become judges after June 30, 2012. As a result, current system members who become judges after June 30, 2012, are subject to more stringent age and service requirements than other contributory plan members of the system at the same time. In light of the Employees' Retirement System's reported \$8,164,000,000 unfunded liability as of June 30, 2011, your Committee finds that "grandfathering" in existing system members who become judges after June 30, 2012, so that the more stringent service and age requirements do not apply to these members is counterproductive to the reduction of the unfunded liability.

Your Committee further finds that the Employees' Retirement System is anticipating increases in the system's unfunded liability. The continuing volatility and uncertainty of the investment markets, increasing longevity of Employees' Retirement System members, and declining payroll produce significant increases in the system's unfunded liability. If these trends continue without significant increases to the investment portfolio, more solutions will be necessary to prevent the investment corpus from depletion.

As a result, the proposed S.D. 1 addresses the anticipated increases in benefits of Employees' Retirement System members and in the unfunded liability of the system by limiting the amount of compensation included in the average final compensation of new and current members (delayed by three years) and by requiring employers of current members to pay the costs attributable to the additional benefits resulting from pension spiking. Pension spiking is a process whereby public sector employees significantly increase their compensation, through overtime or other similar opportunities, in the years immediately preceding retirement in order to receive a larger pension than they otherwise would be entitled to receive. If an employee's pay increases substantially in the final years of employment, the employee's retirement benefits, which are based on the employee's three or five highest paid years, can be increased dramatically without the years of contributions required to fund this increase. In turn, this spike in compensation increases the unfunded actuarial accrued liability of the Employees' Retirement System.

Your Committee recognizes that the proposed S.D. 1 places a certain level of responsibility and accountability on employers whose employees' compensation is spiked in the immediate years prior to retirement. As a result, employers will be forced to manage overtime and work productivity more efficiently and effectively.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amended it by:

- (1) Deleting the provisions that restore parity between judges and other contributory plan members with respect to age and service requirements to receive a retirement allowance after service is terminated;
- (2) Changing the effective date to July 1, 2050, to ensure 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. 2487, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2487, 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. 3009 Water, Land, and Housing on H.B. No. 1730

The purpose and intent of this measure is to prohibit any member of the Land Use Commission from voting on a matter before the Commission if the member has a conflict of interest.

Your Committee received comments on this measure from the Land Use Commission.

Your Committee finds that the State Ethics Code applies to Land Use Commission members, who are appointed state officials. Recently, some issues have come before the Commission where certain members' conflicts of interest have come into question. Existing rules could not clarify whether a conflict existed and the issue remains unanswered. To prevent any further occurrences, the Land Use Commission must more adequately specify its process for determining whether a conflict of interest exists.

Accordingly, your Committee has amended this measure by:

- (1) Providing language that requires the Land Use Commission to amend its rules to clarify its conflict of interest practices;
- (2) Deleting language that created a new section setting conflict of interest requirements for Land Use Commission members; and
- (3) Changing the effective date to upon approval.

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. 1730, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1730, 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 (Fukunaga, Tokuda, Slom).

SCRep. 3010 (Joint) Water, Land, and Housing and Judiciary and Labor on H.B. No. 2246

The purpose and intent of this measure is to establish the Haiku Valley Cultural Preserve Commission (Commission) to have policy and management oversight over the Haiku Valley Cultural Preserve (Preserve).

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Oahu Council, Koolaupoko Civic Club, and Association of Hawaiian Civic Clubs. Testimony in opposition to this measure was received from the Center of Hawaiian Sovereignty Studies. The Department of Business, Economic Development, and Tourism, Department of Budget and Finance, and two individuals submitted comments.

Your Committees find that this measure would greatly assist in protecting and perpetuating the unique cultural landscape and heritage center of the Haiku Valley. Hawaiian civic groups have been working for many years to care for the valley and are in need of a centralized authority to lead a cohesive and unified effort to preserve the valley's cultural and historic resources for the people of Hawaii and future generations.

As this measure moves along in the legislative process, your Committees urge your Committee on Ways and Means to consider adding a member to the Commission to be a community representative from Haiku Valley.

Your Committees have amended this measure by:

- (1) Deleting the requirement that the Chairperson of the Board of Land and Natural Resources designate Native Hawaiian organizations, who submit nominees to the Governor for appointment to the Commission;
- (2) Authorizing the Commission to hire employees exempt from civil service;
- (3) Deleting the requirement that the Commission's jurisdiction extend over all public lands within the Haiku Village Cultural Preserve;
- (4) Deleting the requirement that existing uses of private land within the preserve continue under the Commission;
- (5) Requiring the Commission to have those powers and carry out those duties conferred upon the Board of Land and Natural Resources and Land Use Commission with regard to dispositions and approvals pertaining to the Preserve and transferring powers and duties accordingly;
- (6) Amending the responsibilities and duties of the Commission;
- (7) Requiring the Commission to carry out the duties of the Island Burial Councils and the Department of Land and Natural Resources regarding burial sites and human skeletal remains found in the preserve;
- (8) Deleting language relating to the administrative violation system;
- (9) Replacing the language that appropriated funds from the native Hawaiian rehabilitation fund with language directing the Office of Hawaiian Affairs to fund this measure;
- (10) Changing the effective date to upon approval; 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2246, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2246, 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 (Fukunaga, Ihara, Slom).

SCRep. 3011 (Joint) Water, Land, and Housing and Judiciary and Labor on H.B. No. 1617

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to extend leases of public lands for commercial, hotel, resort, or industrial use upon approval of a development agreement to make substantial improvements to the premises.

Prior to the hearing, your Committees posted a proposed S.D. 1 of this measure for public review, which provides for fair compensation to lessees when leased public land for agricultural or pastoral uses is withdrawn, condemned, or taken for public purposes, and changes the effective date to July 1, 2050.

Your Committees received testimony in support of the proposed S.D. 1 from the Hawaii Cattlemen's Council, Maui Cattlemen's Association, Hawaii Aquaculture and Aquaponics Association, Hawaii Crop Industry Association, McCandless Ranch, Princeville Ranch, and five individuals. The Department of Land and Natural Resources submitted comments.

Your Committees find that actions taken by the Board of Land and Natural Resources in November 2008 deprived beef cattle ranchers of portions of their leases of public lands. These ranchers received no compensation for takings of their land other than a reduced lease for the remaining portion of the land. Infrastructure loss and a need to reduce their herd size resulted in detrimental losses, particularly to smaller ranchers. Your Committees find that rent reduction is insufficient compensation, and that more equitable relief should be granted to lessees of public lands for partial takings or condemnations where the lessee is prevented from using the lands as originally intended.

Your Committees also find that Executive Order No. 4403 set aside public lands, identified by tax map key numbers (1) 9-4-012:001, 002, and 003, to the Department of Agriculture at Waikele, Ewa, Oahu. However, your Committees find that as the Agribusiness Development Corporation was designed to be an entrepreneurial agency, with exemptions to quickly put diversified

farmers onto land and settle issues related to the difficult and complex transition process, the Agribusiness Development Corporation is a more appropriate agency to oversee the public lands set aside by the executive order.

Upon further consideration and cooperation with interested stakeholders, your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Establishing an equitable process for determining the appraised breeding value of livestock, which will be used to determine the amount owed by the Board of Land and Natural Resources to lessees as a result of land withdrawals or takings;
- (2) Specifying that compensation paid to a lessee as reimbursement for property tax paid shall only be for the amount of property tax paid on the portion of the leased land withdrawn or taken;
- (3) Inserting language to cancel Executive Order No. 4403 and transferring the parcels of land identified by tax map key numbers (1) 9-4-012:001, 002, and 003 to the Agribusiness Development Corporation no later than January 1, 2013;
- (4) Adding language to make the necessary transfers of rights, powers, functions, duties, and references to the Agribusiness Development Corporation;
- (5) Retaining the effective date of July 1, 2050, but inserting an effective date of July 1, 2012, for the transfer of lands to the Agribusiness Development Corporation; and
- (6) 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1617, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1617, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 5 (Fukunaga, Gabbard, Ihara, Ryan, Tokuda).

SCRep. 3012 (Joint) Hawaiian Affairs and Education on H.B. No. 2875

The purpose and intent of this measure is to require the:

- (1) Reading, math, science, and other assessments administered to students in grades three through six of the Department of Education's Hawaiian Language Immersion Program to be developed originally in the Hawaiian language; and
- (2) Board of Education to adopt rules establishing procedures for the development of these assessments in collaboration with the Hawaiian language community.

Your Committees received testimony in support of this measure from the Department of Education; Office of Hawaiian Affairs; Hawai'i inuiakea School of Hawaiian Knowledge at the University of Hawaii at Manoa; Association of Hawaiian Civic Clubs; Na Leo Kako'o Executive Board, the Parent Group of Ke Kula Kaiapuni o Anuenue; Ke Kula O Samuel M. Kamakau; and sixty-three individuals.

Your Committees find that in the 2003-2004 and 2004-2005 school years, third and fourth grade Hawaiian language immersion students took a translated version of the general state assessment. Due to a number of translation problems with the test, as well as community concerns, a new assessment was developed originally in the Hawaiian language and administered to Hawaiian language immersion program students. However, the Department of Education recently began administering a Hawaiian translation of the general state assessment, despite widespread concern about the translated assessment. An English reading test translated into Hawaiian does not necessarily measure reading proficiency in either English or Hawaiian and, therefore, does not accurately measure student achievement. Your Committees further find that the public school system as a whole could suffer from what might appear to be poor student performance on these highly questionable tests.

Your Committees have amended this measure by:

- (1) Clarifying the purpose section;
- (2) Amending the assessment development requirements to specify that the Department of Education shall develop assessments in the Hawaiian language:
 - (A) In language arts and mathematics to be administered to Hawaiian Language Immersion Program students in grades three through six; and
 - (B) In science to be administered to Hawaiian Language Immersion Program students in grade four;
- (3) Requiring that the assessments be administered annually beginning in school year 2014-2015;
- (4) Specifying that the annual assessments shall:
 - (A) Align with common core state standards or the Hawaii content and performance standards III, as appropriate; and
 - (B) Comply with the Elementary and Secondary Education Act of 1964, as amended;
- (5) Clarifying that ancillary assessment materials and tools that are made available to students taking the general state assessment shall also be made available to students in the Hawaiian Language Immersion Program to the extent that these materials and tools can be adapted for use in the Hawaiian language;

- (6) Requiring the Department of Education, with the assistance of the Hawaiian language community, including the Aha Kauleo Kaiapuni Hawaii, members of the Hawaiian language immersion program schools, the Hawaiian language programs at the University of Hawaii at Hilo and the University of Hawaii at Manoa, the Office of Hawaiian Affairs, and other Hawaiian language community organizations, to establish procedures for the development of the assessments;
- (7) Clarifying that the Department of Education shall report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013 only on the status of the procedures for the development of assessments in the Hawaiian language, rather than on the development and administration of the assessment; 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 Hawaiian Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2875, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2875, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Senate President and Chair on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Hee, Nishihara, Taniguchi).

SCRep. 3013 Ways and Means on Gov. Msg. No. 649.

Recommending that the Senate advise and consent to the nomination of the following:

TAX REVIEW COMMISSION

G.M. No. 649 ROY AMEMIYA JR., for a term to expire 6-30-2012 (Amended by GM766 to remove term of expiration),

Your Committee has reviewed the resume submitted by the nominee and finds Roy Amemiya Jr. to possess the requisite qualifications to be nominated to the Tax Review Commission.

Your Committee received testimony in support of the nomination of Roy Amemiya Jr. from the Department of Taxation; Department of Budget and Fiscal Services, City & County of Honolulu; Central Pacific Bank; Hawaii Bankers Association; The Chamber of Commerce of Hawaii; The Pacific Resource Partnership; Hawaii Business Roundtable; The Honolulu Japanese Chamber of Commerce; and seven individuals.

Mr. Amemiya graduated from Purdue University with a Bachelor of Science Degree in Industrial Management and received his Master of Business Administration from the University of Hawaii. He also attended the Pacific Coast Banking School in Seattle, Washington. Mr. Amemiya is currently the interim president and chief executive officer of Olelo Community Media, was formerly the senior vice-president of Central Pacific Bank, the Director of Budget and Fiscal Services for the City and County of Honolulu, and the vice-president of the Bank of Hawaii. Mr. Amemiya is also the Director of the Royal State Corporation, a board member of the Hawaii 3R's, and the Director and Chair of the Government Affairs Committee for the Hawaii Japanese Chamber of Commerce.

Your Committee finds that Roy Amemiya Jr. 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 (Kim, Tokuda, Wakai).

SCRep. 3014 Ways and Means on Gov. Msg. No. 650.

Recommending that the Senate advise and consent to the nomination of the following:

TAX REVIEW COMMISSION

G.M. No. 650 PETER HO, for a term to expire 6-30-2012 (Amended by GM766 to remove term of expiration),

Your Committee has reviewed the personal history submitted by the nominee and finds that Peter Ho possesses the requisite qualifications to be nominated to the Tax Review Commission.

Your Committee received testimony in support of the nomination of Peter Ho from the Department of Taxation; Bank of Hawaii; Hawaii Bankers Association; and two individuals.

Your Committee finds that Mr. Ho received his Bachelor of Science degree in Business Administration and a Masters in Business Administration degree from the University of Southern California and completed Harvard Business School's Advanced Management Program. Mr. Ho is currently the chairman, president, and chief executive officer of the Bank of Hawaii. Mr. Ho also served as the chairperson of the Asia Pacific Economic Cooperation 2011 Hawaii Host Committee. Mr. Ho has extensive relevant work experience, which has provided him with the necessary knowledge, skills, and acumen to effectively and competently serve as a member of the Tax Review Commission.

As affirmed by the records of votes of the members of your Committee on Ways and Means 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, 11. Noes, none. Excused, 3 (Kim, Tokuda, Wakai).

SCRep. 3015 Ways and Means on Gov. Msg. No. 651.

Recommending that the Senate advise and consent to the nomination of the following:

TAX REVIEW COMMISSION

G.M. No. 651 RANDALL IWASE, for a term to expire 6-30-2012 (Amended by GM766 to remove term of expiration),

Your Committee has reviewed the resume submitted by the nominee and finds that Randall Iwase possesses the requisite qualifications to be nominated to the Tax Review Commission.

Your Committee received testimony in support of the nomination of Randall Iwase from the Department of Taxation and four individuals.

Upon review of the testimony and other information received, your Committee finds that Mr. Iwase received a Bachelor of Arts degree from the University of Florida and a Juris Doctor degree from the University of San Francisco School Of Law. Mr. Iwase also attended the National Judicial College in Reno, Nevada. Mr. Iwase has served as a Deputy Attorney General for the State of Hawaii, a member of the Honolulu City Council, Executive Director of the Aloha Tower Development Corporation, a Hawaii state senator, and chairperson of the Hawaii Labor and Industrial Relations Appeals Board.

Your Committee finds that Mr. Iwase has extensive experience and 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 (Kim, Tokuda, Wakai).

SCRep. 3016 Ways and Means on Gov. Msg. No. 652.

Recommending that the Senate advise and consent to the nomination of the following:

TAX REVIEW COMMISSION

G.M. No. 652 MITCHELL IMANAKA, for a term to expire 6-30-2012 (Amended by GM766 to remove term of expiration),

Your Committee has received the personal history and resume submitted by the nominee and finds that Mitchell Imanaka possesses the requisite qualifications to be nominated to the Tax Review Commission.

Your Committee received testimony in support of the nomination of Mitchell Imanaka from the Department of Taxation, The Pacific Resource Partnership, and two individuals.

Upon review of the testimony and other information received, your Committee finds that Mr. Imanaka received his Bachelor of Arts degree from the University of Hawaii and his Juris Doctor from the Georgetown University Law Center. Currently, Mr. Imanaka is a licensed real estate broker in the State of Hawaii, the managing principal at Imanaka Kudo and Fujimoto, and a director of Dai-Tokyo Royal State Insurance Company, Limited. Mr. Imanaka has served as an adjunct professor of law at the University of Hawaii William S. Richardson School of Law, a real estate continuing education instructor, a commissioner on the Real Estate Commission, and a subdivision consultant to the Department of Commerce and Consumer Affairs of the State of Hawaii. Mr. Imanaka is a member of numerous professional organizations, including the Hawaii State Bar Association and the Pacific and Asian Affairs Council. Mr. Imanaka is also involved in public service organizations such as the Honolulu Sunrise Rotary Foundation and Georgetown Club of Hawaii.

Your Committee finds that Mr. Imanaka 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 (Kim, Tokuda, Wakai).

SCRep. 3017 Ways and Means on Gov. Msg. Nos. 760, 761, 762, 763, 764, and 765.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TAXATION REVIEW, 1ST TAXATION DISTRICT (OAHU)

G.M. No. 760 TRACY CHIANG, for a term to expire 6-30-2015;

G.M. No. 761 ERIC CHING, for a term to expire 6-30-2016;

BOARD OF TAXATION REVIEW, 3RD TAXATION DISTRICT (HAWAII)

G.M. No. 762 PETER TADAKI, for a term to expire 6-30-2016;

BOARD OF TAXATION REVIEW, 4TH TAXATION DISTRICT (KAUAI)

G.M. No. 763 RUSSELL KYONO, for a term to expire 6-30-2014;

G.M. No. 764 RONALD PEEREN, for a term to expire 6-30-2015; and

G.M. No. 765 ERIC YAMA, for a term to expire 6-30-2016,

Your Committee has reviewed the qualifications of the nominees and finds that the nominees possess the requisite qualifications to be nominated to the Board of Taxation Review for their respective district.

Written comments in support of each nominee were submitted by the Department of Taxation.

Upon review of the comments by the Department of Taxation and statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee further finds that the nominees have been appointed based upon their credentials, integrity, and desire to make Hawaii better through their participation on the respective Boards of Taxation Review to which they have been nominated.

Tracy Chiang earned a Bachelor of Science degree in chemistry from Providence College, an executive Master of Business Administration degree from Schidler School of Business at the University of Hawaii at Manoa, and is licensed in real estate, insurance and securities, and public accounting. Mr. Chiang has worked for H&R Block as an enroll agent, First Hawaiian Bank and Trust as a tax department assistant manager, and Clay and Company as a tax manager. He currently works for World Financial Group & Transamerica Financial Advisors, Inc., as a branch manager and also operates his own private accounting firm. Mr. Chiang has been a member of the Board of Taxation Review since 2008.

Eric Ching earned a Bachelor of Business Administration degree in accounting and a Juris Doctor degree from the University of Hawaii, and a Master of Laws degree from the University of Washington. Mr. Ching worked as a tax accountant, divorce and litigation lawyer, and Internal Revenue Service revenue agent, and he currently works as a tax attorney.

Peter Tadaki was born and raised in Hilo, Hawaii, where he graduated from Hilo High School and later earned a Bachelor of Science degree from Willamette University. Mr. Tadaki has practiced public accounting for twenty-five years in Hilo. Mr. Tadaki feels that being a member of the Board of Taxation Review will provide him an opportunity to give back to his community.

Russell Kyono graduated from Kauai High School and the School of Travel Industry Management at the University of Hawaii at Manoa, and is a licensed real estate salesperson and broker. Mr. Kyono worked for Kauai Realty, Inc., as an independent sales agent and property manager, and he currently owns and operates Kauai Rentals & Real Estate in Lihue, Kauai. Mr. Kyono has been involved in volunteer work for various organizations, including the Boy Scouts of America, County of Kauai Real Property Tax Board of Review, Kauai Board of Realtors Professional Standards Committee, and New Hope Kauai.

Ron Peeren earned a Bachelor of Arts degree in economics from Claremont Men's College. Mr. Peeren worked for Hale Kauai, Ltd., as the Vice-President of Human Resources, Chief Financial Officer, and Director of Administration. Mr. Peeren has been involved in volunteer work for various organizations, including a community basketball organization, Cub Scouts of America, Boy Scouts of America, United Way, Contractors Association of Kauai, Kauai Chamber of Commerce, Kauai Junior Golf Association, and Rotary Club of Kauai.

Eric Yama graduated from Kapaa High School and the University of Hawaii at Manoa with a Bachelor of Arts degree in psychology. Mr. Yama is the Vice-President and principal broker of Kauai Realty, Inc. Mr. Yama has been involved in volunteer work for numerous organizations, including the Kauai Junior Golf Association, Fukuoka Club, Kauai Community College Fund Board of Trustees, Lihue Missionary Church, Kiwanis Club of Kauai, and the Kauai Board of Realtors. Mr. Yama has been a member of the Board of Taxation Review since 2008.

As affirmed by the records of votes of the members of your Committee on Ways and Means 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, 11. Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

SCRep. 3018 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 5

The purpose and intent of this measure is to urge the United States Department of Veterans Affairs and the Hawaii Office of Veterans Services to develop comprehensive programs and services to address the needs of women veterans.

Your Committee received testimony in support of this measure from the Office Of Veterans Services; Hawaii State Commission on the Status of Women; American Civil Liberties Union of Hawaii; Gay, Lesbian, Bisexual and Transgender Caucus of the Democratic Party of Hawaii; Hawai'i State Democratic Women's Caucus; and Hawai'i Women's Coalition.

Your Committee finds that there is a growing need to improve veterans services to address the specific needs of women veterans in such areas as medical and mental health care, child care services, housing, and financial assistance. Women suffering from sexual trauma perpetrated by fellow military members have special needs and those needs have not been sufficiently addressed by the leadership of the military. A 2008 RAND study found that female veterans are suffering double the rates of depression and post-traumatic stress disorder for their male counterparts, and 71 percent of those female veterans report that service members sexually assaulted them.

Your Committee further finds that veterans suffer from severe post-traumatic stress disorder not only from their experiences in wartime, but also from their experiences as victims and survivors of sexual assault, sexual harassment, and other gender-based violence. In order to address these very specific harms, those who provide support services to our veterans must be equipped with gender-sensitive programming and services for female veterans who return home.

Your Committee has amended this measure by urging for the inclusion of women who serve on active duty to also receive services.

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. 5, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 5, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3019 Public Safety, Government Operations, and Military Affairs on S.R. No. 6

The purpose and intent of this measure is to urge the United States Department of Veterans Affairs and the Hawaii Office of Veterans Services to develop comprehensive programs and services to address the needs of women veterans.

Your Committee received testimony in support of this measure from the Office Of Veterans Services; Hawaii State Commission on the Status of Women; American Civil Liberties Union of Hawaii; Gay, Lesbian, Bisexual and Transgender Caucus of the Democratic Party of Hawaii; Hawai'i State Democratic Women's Caucus; and Hawai'i Women's Coalition.

Your Committee finds that there is a growing need to improve veterans services to address the specific needs of women veterans in such areas as medical and mental health care, child care services, housing, and financial assistance. Women suffering from sexual trauma perpetrated by fellow military members have special needs and those needs have not been sufficiently addressed by the leadership of the military. A 2008 RAND study found that female veterans are suffering double the rates of depression and post-traumatic stress disorder for their male counterparts, and 71 percent of those female veterans report that service members sexually assaulted them.

Your Committee further finds that veterans suffer from severe post-traumatic stress disorder not only from their experiences in wartime, but also from their experiences as victims and survivors of sexual assault, sexual harassment, and other gender-based violence. In order to address these very specific harms, those who provide support services to our veterans must be equipped with gender-sensitive programming and services for female veterans who return home.

Your Committee has amended this measure by urging for the inclusion of women who serve on active duty to also receive services.

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. 6, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 6, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3020 Transportation and International Affairs on S.C.R. No. 59

The purpose and intent of this measure is to request the Governor to proclaim July 13, 2012, as "Collector Car Appreciation Day".

Your Committee received testimony in support of this measure from five individuals.

The Specialty Equipment Market Association, a trade group consisting of manufacturers, distributors, retailers, car clubs, and race teams, has designated July 13, 2012, as "Collector Car Appreciation Day". Your Committee finds that many people in Hawaii restore classic automobiles as a hobby and business and do so with pride and enthusiasm.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 59 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, Espero, Slom).

SCRep. 3021 Transportation and International Affairs on S.C.R. No. 60

The purpose and intent of this measure is to urge the Department of Transportation to expend the funds set aside in its capital improvement budget to promptly undertake the design and construction of a shared-use path along Kahekili Highway between East Hui 'Iwa Street and the intersection of Kahekili and Kamehameha Highways near the Hygienic Store.

Your Committee received testimony in support of this measure from Kahaluu Neighborhood Board No. 29 and one individual. Testimony in opposition was received from the Department of Transportation.

Your Committee finds that the Department of Transportation currently has a right-of-way along Kahekili Highway between East Hui 'Iwa Street and the intersection of Kahekili and Kamehameha Highways near the Hygienic Store that is wide enough to accommodate a shared-use path and any of the highway widening or contraflow options currently under construction. The Department of Transportation's capital improvement budget for fiscal year 2011-2012 includes \$1,600,000 for the design and construction of a shared-use path along Kahekili Highway. The design and construction of a shared-use path could proceed expeditiously and could provide additional construction jobs during this period of economic recovery.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 60 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, Espero, Slom).

SCRep. 3022 Transportation and International Affairs on S.R. No. 23

The purpose and intent of this measure is to urge the Department of Transportation to expend the funds set aside in its capital improvement budget to promptly undertake the design and construction of a shared-use path along Kahekili Highway between East Hui 'Iwa Street and the intersection of Kahekili and Kamehameha Highways near the Hygienic Store.

Your Committee received testimony in support of this measure from Kahaluu Neighborhood Board No. 29 and one individual. Testimony in opposition was received from the Department of Transportation.

Your Committee finds that the Department of Transportation currently has a right-of-way along Kahekili Highway between East Hui 'Iwa Street and the intersection of Kahekili and Kamehameha Highways near the Hygienic Store that is wide enough to accommodate a shared-use path and any of the highway widening or contraflow options currently under construction. The Department of Transportation's capital improvement budget for fiscal year 2011-2012 includes \$1,600,000 for the design and construction of a shared-use path along Kahekili Highway. The design and construction of a shared-use path could proceed expeditiously and could provide additional construction jobs during this period of economic recovery.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 23 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, Espero, Slom).

SCRep. 3023 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 6

The purpose and intent of this measure is to request the Department of Public Safety to reinvest funds used for incarceration to structured community placement programs for eligible non-violent female offenders.

Your Committee received testimony in support of this measure from the Department of Public Safety, Office of Hawaiian Affairs, Hawaii State Commission on the Status of Women, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, Drug Policy Forum of Hawaii, Hawaii Substance Abuse Coalition, and seven individuals.

Your Committee finds that the majority of Hawaii's incarcerated female offenders are non-violent offenders who are mothers of minor children, and upon imprisonment, many no longer have the option of remaining present in their children's lives. Their imprisonment may cause issues that stem from fragmented families and often become intergenerational problems.

A national shift toward gender responsiveness in the criminal justice system has revealed that community placement is much more effective in assisting female offenders. Structured community placement helps females adjust to greater independence as they transition and reunite with their children, resulting in a more integrated and seamless resocialization and reentry process. Many community placement programs are culturally sensitive and gender specific. This structured community placement approach makes a significant difference in the successful rehabilitation of female offenders and has a lasting effect on women and their families.

Your Committee has amended this measure by making technical, nonsubstantive amendments, including amending the title for the purposes of clarity.

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. 6, 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. 6, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3024 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 30

The purpose and intent of this measure is to urge the United States Congress to amend the Unfunded Mandates Reform Act.

Your Committee received comments from one individual.

Your Committee finds that unfunded federal mandates place unreasonable demands on limited state resources. The Unfunded Mandates Reform Act was adopted in 1995 to limit these mandates by requiring accurate cost estimates of federal legislation and rule making. Loopholes in the original legislation have prevented the intent of the legislation from being fully implemented.

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. 30, 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. 30, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3025 Economic Development and Technology on S.C.R. No. 55

The purpose and intent of this measure is to:

- (1) Request the Governor to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013 on the State's strategic plan to expand Asia-Pacific business development opportunities for Hawaii businesses, including tourism, higher education, science and technology, entertainment and media, and renewable energy; and

- (2) Request the Department of Business, Economic Development, and Tourism to include in the Department's annual report the progress of the State in implementing the State's strategic plan to expand Asia-Pacific business development opportunities, beginning with the 2013 annual report.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that reporting on the State's business development plans and activities for the industry sectors cited would prove beneficial in expanding Asia-Pacific business development opportunities for Hawaii businesses. Your Committee further finds that the Lieutenant Governor has been designated as the State's lead official for international affairs.

Your Committee has amended this measure accordingly, by:

- (1) Amending the title to read: "REQUESTING THE LIEUTENANT GOVERNOR TO REPORT TO THE LEGISLATURE ON THE STATE'S STRATEGIC PLAN TO EXPAND ASIA-PACIFIC BUSINESS DEVELOPMENT OPPORTUNITIES FOR HAWAII BUSINESSES, AND THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO INCLUDE IN THE DEPARTMENT'S ANNUAL REPORT THE PROGRESS OF IMPLEMENTATION OF THE STRATEGIC PLAN"; and
- (2) Clarifying that the Lieutenant Governor is requested to submit the report, as the lead state official for international affairs.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 55, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 55, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 3026 Judiciary and Labor on H.B. No. 1858

The purpose and intent of this measure is to improve the effectiveness and efficiency of government by requiring the Director of Human Resources Development to annually report workforce demographic information to the Legislature.

Your Committee received testimony in support of this measure from the Department of Human Resources Development and Office of Hawaiian Affairs.

Your Committee finds that the public employee workforce comprises a large and diverse group of individuals with varying educational, skill, and experience levels, and varying degrees of employment that range from the recently hired to those employees ready to retire. Gathering, reviewing, and analyzing relevant data by the Department of Human Resources Development on the demographics of Executive Branch employees on an annual basis provides the State with helpful data to make informed policy and operational decisions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1858, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 3027 Judiciary and Labor on H.B. No. 2841

The purpose and intent of this measure is to set forth efficient and inexpensive procedures for litigants to depose out-of-state individuals or to obtain discoverable materials that may be located outside of the trial state.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation.

Your Committee finds that uniform procedures have become necessary as the amount of litigation involving individuals and documents located outside of the trial state has increased. The Uniform Interstate Depositions and Discovery Act addresses the problems of deposing out-of-state individuals and obtaining out-of-state discovery by setting forth uniform procedures that require minimal judicial oversight and provide clear rules governing discovery.

By adopting the provisions of the Uniform Interstate Depositions and Discovery Act, this measure eliminates the need for a trial state litigant to obtain local counsel in the discovery state or to file miscellaneous actions for a subpoena by requiring the litigant to instead present a subpoena issued by the trial state court to the clerk of the court located in the discovery state. Hence, judicial oversight is minimized. Furthermore, this measure requires discovery to comply with the laws of the discovery state, thus recognizing that the discovery state has a significant interest in protecting its residents from unreasonable or burdensome requests when they become non-party witnesses in an action pending in a foreign jurisdiction.

Your Committee further finds that twenty state jurisdictions have already adopted the uniform act with nine more states, including Hawaii, considering adoption this year. This measure will aid in streamlining litigation procedures nationwide while recognizing the interests of the trial state and the discovery 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. 2841, 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. 3028 (Joint) Health and Public Safety, Government Operations, and Military Affairs on H.B. No. 2600

The purpose and intent of this measure is to update the Uniform Controlled Substances Act, chapter 329, Hawaii Revised Statutes, to make it consistent with federal laws on controlled substances.

Your Committees received testimony in support of this measure from the Department of Public Safety and Honolulu Police Department.

Your Committees find that there is a pressing societal problem involving synthetic hallucinogenic substances, which are being developed for sale to the public and marketed as “herbal incense” or “bath salts”. Your Committees find that due to the ever-growing list of synthetic hallucinogenic substances, updating the schedule of controlled substances with a general chemical class will prevent manufacturers from simply adding an isomer on to an existing controlled substance to make it a new non-controlled compound, and that consequently, this approach is the most effective means by which to control illegal substances and ensure public safety.

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. 2600, 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, 6. Noes, none. Excused, 4 (Chun Oakland, Kidani, Shimabukuro, Slom).

SCRep. 3029 Health on H.B. No. 2568

The purpose and intent of this measure is to allow the Department of Health to designate an entity to perform services on its behalf relating to background checks for employment, volunteer, contracting, licensure, or certification purposes.

Your Committee received testimony in support of this measure from the Department of Health.

Your Committee finds that a modern background check system to safeguard the frail, elderly, and vulnerable populations that receive care in or from Hawaii’s health care facilities or organizations can be performed by private vendors at little or no cost to the State and that such a system is in the interest of the residents of the State.

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 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. 2568, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2568, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Slom, Wakai).

SCRep. 3030 (Joint) Economic Development and Technology and Water, Land, and Housing on S.C.R. No. 56

The purpose and intent of this measure is to request the Department of Land and Natural Resources to:

- (1) Develop recommendations for increased fees to help support a fully staffed State Historic Preservation Division program, with assistance from the Society for Hawaiian Archaeology, Historic Hawaii Foundation, advocates of historic preservation, and other interested parties;
- (2) Pursue its recommended fee increases to partially defray the costs of administering sections 6E-3(13), 6E-8, and 6E-42, Hawaii Revised Statutes, through amendments to rules adopted pursuant to chapter 91, Hawaii Revised Statutes; and
- (3) Report its findings and recommendations, including the status of any amendments to the Department’s Hawaii Administrative Rules, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; The Chamber of Commerce of Hawaii; Hawaii Government Employees Association, AFSCME Local 142, AFL-CIO; Historic Hawaii Foundation; and Legislative Committee of the Society for Hawaiian Archaeology.

Your Committees find that when the Hawaii Administrative Rules governing the review process under sections 6E-7, 6E-8, and 6E-42, Hawaii Revised Statutes, were adopted, the rules included fee schedules for the review of various reports and plans required for compliance purposes. It has been several years since these rules took effect, and it is clear that the fees charged for document review should be revised in order to reflect more accurately the staff efforts involved in this important element of regulatory oversight.

Your Committees have accepted a number of recommendations from interested stakeholders and have amended this measure accordingly, by:

- (1) Adding findings regarding the range of filing fees charged pursuant to chapter 13-275-3, Hawaii Administrative Rules, and to clarify that in order for fee increases to be realistic but not prohibitive, actual data should be available to support any such request;
- (2) Requesting that the report to the Legislature include statistics on the numbers and types of documents currently reviewed, the fees received over the last three years, and rough estimates of staff time required; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note the recommendation by the Hawaii Government Employees Association regarding the conversion from exempt to civil service positions for employees in the state historic preservation division, but find that this measure is not the most appropriate vehicle for that purpose.

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 concur with the intent and purpose of S.C.R. No. 56, 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. 56, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

SCRep. 3031 Economic Development and Technology on H.B. No. 2436

The purpose and intent of this measure is to specify that the Chief Information Officer or that officer's designee shall serve as the Chair of the Information Privacy and Security Council, rather than the Comptroller.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services.

Your Committee finds that when the Information Privacy and Security Council was first established, the State did not yet have a full-time Chief Information Officer to provide the overall direction and vision for information technology. As information security and privacy currently fall under the purview of the Chief Information Officer and are being addressed in the information technology strategic plan that is currently under development, naming the Chief Information Officer, or the Chief Information Officer's designee, as Chair of the Information Privacy and Security Council aligns the Council's responsibilities to mitigate the negative impacts of identity theft incidents on individuals with the State's strategic vision.

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 Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2436, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2436, 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. 3032 Human Services on H.B. No. 2143

The purpose and intent of this measure is to amend the minimum number of resident member nominees that the Residency Advisory Board of the Hawaii Public Housing Authority must submit to the Governor for consideration for appointment to the Authority's Board of Directors.

Your Committee received testimony in support of this measure from the Department of Human Services and Hawaii Public Housing Authority of the Department of Human Services.

Your Committee notes that when the resident member seat on the Hawaii Public Housing Authority Board of Directors becomes vacant, the Resident Advisory Board must develop a list of five interested, qualified individuals for consideration by the Governor for appointment. When the Resident Advisory Board is unable to provide a list of five names to the Governor, the resident member seat on the Board of Directors may remain vacant for extended periods. This deprives the residents of a voice on the Board and jeopardizes the State from receiving federal funds since the United States Department of Housing and Urban Development requires the Board to have a resident member. This measure provides the Resident Advisory Board the flexibility to submit a list of no less than three but no more than five nominees to fill the resident member seat, ensures the residents have a voice on the Board, and ensures Hawaii is in compliance with the United States Department of Housing and Urban Development's requirement of having a resident member on the Board.

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. 2143, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3033 Public Safety, Government Operations, and Military Affairs on S.R. No. 73

The purpose and intent of this measure is to request the Director of the Office of Aerospace Development to coordinate comments and identify a lead entity to prepare a proposal, on behalf of the State, for Hawaii to be selected as one of the Federal Aviation Administration's six unmanned aircraft system test sites.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Enterprise Honolulu; The Chamber of Commerce of Hawaii; Hawaii Aerospace Advisory Committee; DreamHammer, Inc.; and The Boeing Company.

Your Committee finds that the Federal Aviation Administration Modernization and Reform Act of 2012 and the National Defense Authorization Act for Fiscal Year 2012 require the Federal Aviation Administration to establish six unmanned aircraft system test sites. The Federal Aviation Administration has recently initiated a search for the six unmanned aircraft system test sites in the United States. The selection of Hawaii as a national unmanned aircraft system test site would establish the State as a nationally recognized center of excellence for the development and testing of advanced aviation technologies, create high-paying jobs, and generate external revenue streams to 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 concurs with the intent and purpose of S.R. No. 73 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ryan, Slom).

SCRep. 3034 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 137

The purpose and intent of this measure is to request the Director of the Office of Aerospace Development to coordinate comments and identify a lead entity to prepare a proposal, on behalf of the State, for Hawaii to be selected as one of the Federal Aviation Administration's six unmanned aircraft system test sites.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Enterprise Honolulu; The Chamber of Commerce of Hawaii; Hawaii Aerospace Advisory Committee; DreamHammer, Inc.; and The Boeing Company.

Your Committee finds that the Federal Aviation Administration Modernization and Reform Act of 2012 and the National Defense Authorization Act for Fiscal Year 2012 require the Federal Aviation Administration to establish six unmanned aircraft system test sites. The Federal Aviation Administration has recently initiated a search for the six unmanned aircraft system test sites in the United States. The selection of Hawaii as a national unmanned aircraft system test site would establish the State as a nationally recognized center of excellence for the development and testing of advanced aviation technologies, create high-paying jobs, and generate external revenue streams to 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 concurs with the intent and purpose of S.C.R. No. 137 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ryan, Slom).

SCRep. 3035 Ways and Means on H.B. No. 2605

The purpose and intent of this measure is to update state income tax law to conform to changes made to the Internal Revenue Code in calendar year 2011.

The Department of Taxation testified in support of this measure.

Your Committee finds that this measure provides conformity with certain federal income tax laws.

Your Committee has amended this measure by providing that the state income tax law amendments shall apply to taxable years beginning after December 31, 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. 2605, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2605, 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, 14, Ayes with Reservations (Slom). Noes, none. Excused, none.

SCRep. 3036 Ways and Means on H.B. No. 1695

The purpose and intent of this measure is to incorporate the anti-stacking fairness provisions included in the federal Internal Revenue Code, by prohibiting penalties for:

- (1) Failure to collect and pay taxes;
- (2) Substantial understatements or misstatements on tax returns; and
- (3) Erroneous claims for refund or credit on tax returns;

from being added to tax underpayments on which certain other penalties are already imposed.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that, under the Internal Revenue Code, failure to collect and pay taxes is a criminal offense and substantial understatements or misstatements on tax returns are accuracy-related civil offenses. Your Committee also finds that the Internal Revenue Code does not preclude the stacking of penalties for criminal offenses, nor is there any indication that accuracy-related penalties should not be assessed against persons who are guilty of tax crimes. However, your Committee finds that the Internal Revenue Code does preclude the stacking of accuracy-related penalties with penalties imposed for erroneous claims for refund or credit.

Your Committee has amended this measure by:

- (1) Deleting the provisions prohibiting penalties imposed for:
 - (A) Wilful failure to collect and pay over tax; and
 - (B) Substantial understatements or misstatements of amounts; and

- (2) Amending the provision regarding penalties imposed for erroneous claims for refund or credit by clarifying that the prohibition against stacking shall only apply to tax underpayments on which penalties are already imposed for substantial understatements or misstatements.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1695, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1695, 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 (English).

SCRep. 3037 Ways and Means on H.B. No. 1980

The purpose and intent of this measure is to change the deadline for filing and paying various taxes from the twentieth day of the month to the last day of the month.

Your Committee received testimony in support of this measure from the Chamber of Commerce of Hawaii. The Department of Taxation and the Department of Commerce and Consumer Affairs submitted comments on the measure.

Your Committee finds that allowing taxpayers until the end of the month to file and pay their taxes would assist taxpayers in meeting their tax obligations on a timely basis and would also be consistent with general business practices.

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 H.B. No. 1980, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1980, 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, 14. Noes, none. Excused, none.

SCRep. 3038 Education on S.R. No. 62

The purpose and intent of this measure is to request the Board of Education and State Librarian to develop a strategic plan to optimize the use of state public library facilities.

Your Committee received testimony in support of this measure from the Hawaii State Public Library System. Your Committee received testimony in opposition to this measure from two individuals.

Your Committee finds that an examination of how to best utilize Hawaii's public library facilities is necessary to determine whether the potential exists to create additional streams of funding to support the Hawaii State Public Library System.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 62 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3039 Education on S.C.R. No. 122

The purpose and intent of this measure is to request the Board of Education and State Librarian to develop a strategic plan to optimize the use of state public library facilities.

Your Committee received testimony in support of this measure from the Hawaii State Public Library System. Your Committee received testimony in opposition to this measure from two individuals.

Your Committee finds that an examination of how to best utilize Hawaii's public library facilities is necessary to determine whether the potential exists to create additional streams of funding to support the Hawaii State Public Library System.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 122 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3040 Education on S.C.R. No. 120

The purpose and intent of this measure is to request the Board of Education and Department of Education to request a waiver of the requirements of the No Child Left Behind Act (No Child Left Behind) from the United States Department of Education.

Your Committee received testimony in support of this measure from the Department of Education and IMUAlliance.

Your Committee finds that despite improvements to student achievement levels, Hawaii, like most states, will not meet the grade level standards required under No Child Left Behind by 2014. Your Committee further finds that ten out of the eleven states that have applied for a waiver of the requirements of No Child Left Behind have been granted relief by the United States Department of Education.

Your Committee notes that the Department of Education reported that it plans to submit a detailed request for a waiver of the requirements of No Child Left Behind, along with its plan for attaining high student outcomes, to the United States Department of Education in September 2012.

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. 120 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3041 Education on S.C.R. No. 95

The purpose and intent of this measure is to request the Board of Education and Department of Education, in collaboration with the Hawaii Association of Independent Schools, to examine models of best practices for the use of technology in schools and recommend any new guidelines to allow for the responsible and positive integration of social media in the classroom.

Your Committee received testimony in support of this measure from the Department of Education; Hawaii Association of Independent Schools; Makai Mann, a student at Kamehameha Schools Maui High School; Christian Fernandez, a student at Kamehameha Schools Maui High School; Luisa Akaveka, a student at Kalaheo High School; Hannah Carnes, a student at Kalaheo High School; and Christopher Mooney, a student at Punahou School. Your Committee received testimony in opposition to this measure from Jamie Chan, a student at Punahou School.

Your Committee finds that as the role of the Internet and social media in education is expected to grow, there is a need to proactively determine and implement best practices to take advantage of new technologies in a responsible and appropriate manner.

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. 95 and recommends that it be referred to the Committee on Economic Development and Technology.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3042 Education on S.C.R. No. 77

The purpose and intent of this measure is to request the Board of Education and Department of Education to establish a statewide resource development program to assist the complex areas in creating endowments to benefit the public schools.

Your Committee received testimony in support of this measure from the Department of Education and IMUAlliance.

Your Committee finds that all of Hawaii's public schools could benefit from the establishment of a statewide program to create endowments. Groups such as the Hilo High Foundation, Farrington Foundation, and Ko'olauloa Education Alliance Corporation have been extremely successful in providing financial assistance to the schools in their communities. This measure encourages the Board of Education and Department of Education to collaborate with these organizations to see how other schools can create and benefit from similar endowment programs.

Your Committee has amended this measure by changing all references to Kahuku.org in the measure to Ko'olauloa Education Alliance Corporation to more accurately reflect the nonprofit group that assists Kahuku High School.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 77, 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. 77, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3043 Education on S.C.R. No. 33

The purpose and intent of this measure is to:

- (1) Request the Department of Education and Board of Education to institute a Green Hawaii Program; and
- (2) Require all public schools, including charter schools, to perform five Green Hawaii Projects within each school year, beginning with the 2015-2016 school year.

Your Committee received testimony in support of this measure from the Kohala Center; Selena Li Fung, a student at Moanalua High School; Crystal Soliven, a student at Hanalani Schools; Crystal Boucon, a student at American Renaissance Academy; Derek Tanizaki, a student at American Renaissance Academy; Daniel Kim, a student at Kaiser High School; Daylin Kuboyama, a student at Ewa Makai Middle School; Jocelyn Bonilla, a student at Ewa Makai Middle School; Justyn Golobic, a student at Ewa Makai Middle School; Kaylee Frankhouse, a student at Ewa Makai Middle School; Mc Erl Dave Andres, a student at Ewa Makai Middle School; Rebekah Padua, a student at Ewa Makai Middle School; Christopher Mooney, a student at Punahou School; Kayla Vega, a student at Kalaheo High School; and one private individual. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that establishing a Green Hawaii Program in all public schools will give students a heightened sense of civic duty. In addition, projects that promote recycling and conservation may help to alleviate tight school budgets by teaching students to reduce, reuse, and conserve resources, as well as to raise funds for their individual schools.

Your Committee has amended this measure by:

- (1) Clarifying that all public schools, including charter schools are requested, rather than required, to perform at least five Green Hawaii projects within each school year as part of the Green Hawaii program;
- (2) Requesting that certified copies of this Concurrent Resolution also be transmitted to the Charter School Administrative Office; 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 concurs with the intent and purpose of S.C.R. No. 33, 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. 33, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3044 Water, Land, and Housing on S.C.R. No. 124

The purpose and intent of this measure is to request the authorization to issue a fifty-five year term, non-exclusive easement comprising approximately 5,597 square feet of submerged lands identified as tax map key: (2) 4-3-006:065, situated at Mahinahina, Lahaina on the island of Maui for work on a rubble rock revetment.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and three individuals.

Your Committee finds that in 1975, the Board of Land and Natural Resources approved the issuance of a month-to-month Revocable Permit No. S-5117 to the Association of Apartment Owners of Lokelani for the revetment. However, the Board then determined that a non-exclusive term easement would be more appropriate. Accordingly, on October 24, 2010, the revocable permit was cancelled and the Board approved the issuance of a fifty-five year term non-exclusive easement, under which the lessee pays the State the fair market value of the easement as determined by an independent appraisal.

As required by section 171-53, Hawaii Revised Statutes, the Board may lease submerged lands with prior approval of the Governor and authorization of the Legislature by concurrent resolution.

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 concurs with the intent and purpose of S.C.R. No. 124, 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. 124, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Slom, Solomon).

SCRep. 3045 Agriculture on S.C.R. No. 134

The purpose and intent of this measure is to request the Department of Agriculture to implement an incentive program to promote the purchase of Hawaii-grown agricultural commodities.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, and Hawaii Cattlemen's Council.

Your Committee finds that expanding the local purchase of Hawaii-grown agricultural products would benefit the State's economy and promote healthy living through the consumption of fresh, local food products.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 134 and recommends that it 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, Slom, Tokuda).

SCRep. 3046 Agriculture on S.R. No. 71

The purpose and intent of this measure is to request the Department of Agriculture to implement an incentive program to promote the purchase of Hawaii-grown agricultural commodities.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, and Hawaii Cattlemen's Council.

Your Committee finds that expanding the local purchase of Hawaii-grown agricultural products would benefit the State's economy and promote healthy living through the consumption of fresh, local food products.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 71 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Slom, Tokuda).

SCRep. 3047 Agriculture on S.C.R. No. 136

The purpose and intent of this measure is to urge the University of Hawaii to designate the Magoon Research and Teaching Facility site for use by the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources.

Your Committee received testimony in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, Interim Dean and Director of the University of Hawaii College of Tropical Agriculture and Human Resources, Meadow Gold Dairies, Hawaii Cattlemen's Council, Landscape Industry Council of Hawaii, Hawaii Aquaculture and Aquaponics Association, Isis Hawaii, Pacific American Foundation, Hawaii Tropical Fruit Growers, Orchid Growers of Hawaii, Green Point

Nurseries, University of Hawaii Graduate Student Organization, Environmental Caucus of the Democratic Party of Hawaii, Student Organic Farm Program, and eighty-six individuals. Your Committee received comments on this measure from the Associate Vice Chancellor for Research and Graduate Education at the University of Hawaii at Manoa.

Your Committee finds that the Magoon Research and Teaching Facility and its unique location have been used by the College of Tropical Agriculture and Human Resources for over forty years. Agricultural research, education, and outreach conducted at the Magoon Research and Teaching Facility are essential to advancing the State's agriculture industry and the economy. The University of Hawaii administration has identified the Magoon Research and Teaching Facility as a possible site for faculty housing although the administration has been presented additional ways faculty can be helped to obtain suitable housing. Pursuing faculty housing on this site will have a negative impact not just on the College of Tropical Agriculture and Human Resources but on the surrounding community and the State. Your Committee strongly feels that the University of Hawaii should not build faculty housing at the Magoon Research and Teaching Facility.

Your Committee has amended this measure by:

- (1) Changing the 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 Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 136, as amended herein, and recommends that it be referred to the Committee on Education, in the form attached hereto as S.C.R. No. 136, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Slom, Tokuda).

SCRep. 3048 Agriculture on S.C.R. No. 89

The purpose and intent of this measure is to request the Auditor to conduct a management audit of the Department of Agriculture's Measurement Standards Branch.

Your Committee received testimony in support of this measure from the Department of Agriculture.

Your Committee finds that the Department of Agriculture's Measurement Standards Branch has lost several positions through attrition and the reduction of force in 2009. There are currently only three inspectors in the branch. This measure will allow the Auditor to conduct a management audit and provide recommendations on the resources necessary for the Measurement Standards Branch to fully and properly carry out its duties and responsibilities.

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 concurs with the intent and purpose of S.C.R. No. 89, 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. 89, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Tokuda, Slom).

SCRep. 3049 Human Services on S.C.R. No. 153

The purpose and intent of this measure is to improve health care to be patient-centered and of high quality, reduce provider administrative burden, and generate savings for the State and federal governments by requesting the Department of Human Services to implement a demonstration project to integrate health care for individuals enrolled in Medicaid and Medicare.

Your Committee received testimony in support of this measure from the Department of Human Services, AlohaCare, United Self Help, and one individual.

Your Committee finds that the Department of Human Services has begun working with the Centers for Medicare and Medicaid Services on a demonstration dual integration project, which is anticipated to be implemented within the next year. Your Committee finds that integrating the management of Medicare and Medicaid health services has the potential to decrease costs and increase the quality of health care by closing coverage gaps and minimizing fragmented care.

Your Committee further finds that there are only three Medicare Special Needs Plans operating in Hawaii, one of which is the only Medicare Special Needs Plan that is not also a QUEST Expanded Access plan. Individuals who are eligible for dual enrollment in Medicare and Medicaid have elected to be members of this Medicare Special Needs Plan while receiving Medicaid services from competing QUEST Expanded Access plans.

Your Committee additionally finds that the integration of dual eligible enrollees represents approximately \$100,000,000 to \$150,000,000 in additional annual revenue for QUEST Expanded Access plans. This may make members of the Medicare Special Needs Plan that is not also a QUEST Expanded Access plan a target because the QUEST Expanded Access plans benefit from enrolling as many beneficiaries as possible into their dual program. Such enrollment of this population into the dual program may fragment coordination of Medicare and Medicaid benefits for the consumer and may make the coordination of care a challenge for both health plans involved. Your Committee therefore finds that this measure should be amended so that the Department of Human Services and its contracted plans target traditional fee-for-service Medicare members for the integration project and exclude members of the Medicare Special Needs Plan that is not also a QUEST Expanded Access plan.

Accordingly, your Committee has amended this measure by:

- (1) Adding language that requests the Department of Human Services to mitigate the impact of the integration demonstration project on competing Centers for Medicare and Medicaid Services-approved dual eligible Special Needs Plans that are not also a QUEST Expanded Access Medicaid managed care health plan and to ensure that the project takes place in conjunction with the anticipated re-procurement of the QUEST Expanded Access contract;
- (2) Adding language that details the elements of the Department's report to the Legislature on the implementation plan for the integration demonstration project; 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. 153, 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. 153, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 3050 Human Services on S.R. No. 90

The purpose and intent of this measure is to improve health care to be patient-centered and of high quality, reduce provider administrative burden, and generate savings for the State and federal governments by requesting the Department of Human Services to implement a demonstration project to integrate health care for individuals enrolled in Medicaid and Medicare.

Your Committee received testimony in support of this measure from the Department of Human Services, AlohaCare, United Self Help, and one individual.

Your Committee finds that the Department of Human Services has begun working with the Centers for Medicare and Medicaid Services on a demonstration dual integration project, which is anticipated to be implemented within the next year. Your Committee finds that integrating the management of Medicare and Medicaid health services has the potential to decrease costs and increase the quality of health care by closing coverage gaps and minimizing fragmented care.

Your Committee further finds that there are only three Medicare Special Needs Plans operating in Hawaii, one of which is the only Medicare Special Needs Plan that is not also a QUEST Expanded Access plan. Individuals who are eligible for dual enrollment in Medicare and Medicaid have elected to be members of this Medicare Special Needs Plan while receiving Medicaid services from competing QUEST Expanded Access plans.

Your Committee additionally finds that the integration of dual eligible enrollees represents approximately \$100,000,000 to \$150,000,000 in additional annual revenue for QUEST Expanded Access plans. This may make members of the Medicare Special Needs Plan that is not also a QUEST Expanded Access plan a target because the QUEST Expanded Access plans benefit from enrolling as many beneficiaries as possible into their dual program. Such enrollment of this population into the dual program may fragment coordination of Medicare and Medicaid benefits for the consumer and may make the coordination of care a challenge for both health plans involved. Your Committee therefore finds that this measure should be amended so that the Department of Human Services and its contracted plans target traditional fee-for-service Medicare members for the integration project and exclude members of the Medicare Special Needs Plan that is not also a QUEST Expanded Access plan.

Accordingly, your Committee has amended this measure by:

- (1) Adding language that requests the Department of Human Services to mitigate the impact of the integration demonstration project on competing Centers for Medicare and Medicaid Services-approved dual eligible Special Needs Plans that are not also a QUEST Expanded Access Medicaid managed care health plan and to ensure that the project takes place in conjunction with the anticipated re-procurement of the QUEST Expanded Access contract;
- (2) Adding language that details the elements of the Department's report to the Legislature on the implementation plan for the integration demonstration project; 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.R. No. 90, 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. 90, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 3051 (Joint) Human Services and Health on S.C.R. No. 93

The purpose and intent of this measure is to request the Department of Human Services and the Department of Health to:

- (1) Develop a two-year pilot demonstration program that:
 - (A) Focuses on the top five percent of Medicaid beneficiaries whose health care needs account for a significant portion of Medicaid expenditures in the State;
 - (B) Coordinates services to the highest need, highest cost Medicaid beneficiaries;
 - (C) Includes an outpatient care component with comprehensive health care and social services; and
 - (D) Identifies methods of reducing potentially avoidable costs due to care defects and emergency room admissions; and

- (2) Submit a report to the Legislature on the status of the pilot demonstration project no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committees received testimony in support of this measure from United Self Help and one individual.

Your Committees find that potentially avoidable costs of patient care recognized as the result of care defects account for twenty-two percent of all private-sector health care expenditures in the United States. Data shows that potentially avoidable costs can account for as much as eighty percent of all dollars spent for severe health conditions that require intensive management.

Your Committees also find that demonstration programs that focus on and incentivize the coordination of care can result in improved health care provision and a reduction in overall health care costs. This measure requests the Department of Human Services and the Department of Health to develop a pilot demonstration program to focus on the top five percent of Medicaid beneficiaries and identify methods of reducing potentially avoidable costs due to care defects and emergency room admissions.

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 Health 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 that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 93, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Nishihara, Shimabukuro).

SCRep. 3052 (Joint) Human Services and Health on S.R. No. 45

The purpose and intent of this measure is to request the Department of Human Services and the Department of Health to:

- (1) Develop a two-year pilot demonstration program that:
 - (A) Focuses on the top five percent of Medicaid beneficiaries whose health care needs account for a significant portion of Medicaid expenditures in the State;
 - (B) Coordinates services to the highest need, highest cost Medicaid beneficiaries;
 - (C) Includes an outpatient care component with comprehensive health care and social services; and
 - (D) Identifies methods of reducing potentially avoidable costs due to care defects and emergency room admissions; and
- (2) Submit a report to the Legislature on the status of the pilot demonstration project no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committees received testimony in support of this measure from United Self Help and one individual.

Your Committees find that potentially avoidable costs of patient care recognized as the result of care defects account for twenty-two percent of all private-sector health care expenditures in the United States. Data shows that potentially avoidable costs can account for as much as eighty percent of all dollars spent for severe health conditions that require intensive management.

Your Committees also find that demonstration programs that focus on and incentivize the coordination of care can result in improved health care provision and a reduction in overall health care costs. This measure requests the Department of Human Services and the Department of Health to develop a pilot demonstration program to focus on the top five percent of Medicaid beneficiaries and identify methods of reducing potentially avoidable costs due to care defects and emergency room admissions.

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 Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 45, 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. 45, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Nishihara, Shimabukuro).

SCRep. 3053 Human Services on S.C.R. No. 147

The purpose and intent of this measure is to:

- (1) Request the Department of Human Services to amend the federal section 1115 waiver granted to Hawaii to raise the Medicaid income eligibility ceiling to three hundred percent of the federal poverty level; and
- (2) Request the Department to submit a report to the Legislature on the progress in amending the Medicaid income eligibility ceiling of the federal section 1115 waiver.

Your Committee received testimony in support of this measure from AlohaCare, the Hawaii Health Authority, United Self Help, and one individual. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that increasing health care costs may put individuals, especially children, at risk of foregoing necessary medical treatment. This measure would move Hawaii within the range of having universal health care for all of Hawaii's citizens.

However, your Committee notes that according to the Department of Human Services' testimony, the QUEST and QUEST Expanded Access enrollment was approximately two hundred eighty-six thousand as of February 2012. Since the Department has

continued to see an increase in the enrollment numbers for several years with no indications of leveling off or decreasing and because there already exists difficulty in meeting the needs of the current enrollee population, the Department cannot support the resulting increase to the Medicaid enrollment that would result from this measure.

Your Committee further finds that the Basic Health Plan under the federal Patient Protection and Affordable Care Act may provide the State with an alternative for new federal funding for health insurance coverage and may allow those currently ineligible for Medicaid to be eligible to receive health coverage under this plan.

Your Committee has therefore amended this measure by:

- (1) Deleting language that described other states' efforts to increase eligibility for health insurance;
- (2) Adding language that describes the possible benefits of the Basic Health Plan under the federal Patient Protection and Affordable Care Act;
- (3) Adding language that requests the Department of Human Services to reexamine the Basic Health Plan under the federal Patient Protection and Affordable Care Act once federal rules have been issued;
- (4) Amending the language that requests the Department of Human Services to amend the federal section 1115 waiver granted to Hawaii to raise the Medicaid income eligibility ceiling to instead consider raising the Medicaid income eligibility ceiling to provide the greatest health care coverage to serve the needs of Hawaii's people;
- (5) Amending the title accordingly; and
- (6) 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 concurs with the intent and purpose of S.C.R. No. 147, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 147, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 3054 Human Services on S.R. No. 82

The purpose and intent of this measure is to:

- (1) Request the Department of Human Services to amend the federal section 1115 waiver granted to Hawaii to raise the Medicaid income eligibility ceiling to three hundred percent of the federal poverty level; and
- (2) Request the Department to submit a report to the Legislature on the progress in amending the Medicaid income eligibility ceiling of the federal section 1115 waiver.

Your Committee received testimony in support of this measure from AlohaCare, the Hawaii Health Authority, United Self Help, and one individual. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that increasing health care costs may put individuals, especially children, at risk of foregoing necessary medical treatment. This measure would move Hawaii within the range of having universal health care for all of Hawaii's citizens.

However, your Committee notes that according to the Department of Human Services' testimony, the QUEST and QUEST Expanded Access enrollment was approximately two hundred eighty-six thousand as of February 2012. Since the Department has continued to see an increase in the enrollment numbers for several years with no indications of leveling off or decreasing and because there already exists difficulty in meeting the needs of the current enrollee population, the Department cannot support the resulting increase to the Medicaid enrollment that would result from this measure.

Your Committee further finds that the Basic Health Plan under the federal Patient Protection and Affordable Care Act may provide the State with an alternative for new federal funding for health insurance coverage and may allow those currently ineligible for Medicaid to be eligible to receive health coverage under this plan.

Your Committee has therefore amended this measure by:

- (1) Deleting language that described other states' efforts to increase eligibility for health insurance;
- (2) Adding language that describes the possible benefits of the Basic Health Plan under the federal Patient Protection and Affordable Care Act;
- (3) Adding language that requests the Department of Human Services to reexamine the Basic Health Plan under the federal Patient Protection and Affordable Care Act once federal rules have been issued;
- (4) Amending the language that requests the Department of Human Services to amend the federal section 1115 waiver granted to Hawaii to raise the Medicaid income eligibility ceiling to instead consider raising the Medicaid income eligibility ceiling to provide the greatest health care coverage to serve the needs of Hawaii's people;
- (5) Amending the title accordingly; and
- (6) 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 concurs with the intent and purpose of S.R. No. 82, 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. 82, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 3055 (Joint) Hawaiian Affairs and Water, Land, and Housing on S.C.R. No. 63

The purpose and intent of this measure is to request the State Auditor to conduct a fiscal audit of the Kaho'olawe Rehabilitation Trust Fund that includes a determination of whether the funds are being used in compliance with state laws, in compliance with any applicable grant agreements, and to effectuate the purposes of chapter 6K, Hawaii Revised Statutes, including the performance of duties and responsibilities of the Kaho'olawe Island Reserve Commission.

Your Committees received testimony in support of this measure from the Maui County Department of Planning.

Your Committees find that the Legislature created the Kaho'olawe Island Reserve Commission to manage the Kaho'olawe Island Reserve while it is held in trust for a future Native Hawaiian sovereign entity. The Kaho'olawe Island Reserve Commission uses the federal funds designated for state responsibilities for the restoration of the Island Reserve. An audit would be valuable to the Legislature, providing greater accountability and information to help determine how to fund the restoration of the Kaho'olawe Island Reserve in the future.

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 Hawaiian 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. 63, 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. 63, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Hee, Kahele, Tokuda).

SCRep. 3056 (Joint) Hawaiian Affairs and Water, Land, and Housing on S.C.R. No. 2

The purpose and intent of this measure is to request the Governor to direct:

- (1) The Hawaii Public Housing Authority, Hawaii Health Systems Corporation, and Hawaii Housing Finance and Development Corporation to provide an accounting of all receipts from lands described in section 5(f) of the Admission Act as required by section 5 of Act 178, Session Laws of Hawaii 2006 (Act 178); and
- (2) All state departments to comply fully with section 5 of Act 178.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, and one individual. Your Committees received testimony in opposition to this measure from the Hawaii Public Housing Authority. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that Act 178 was enacted to ensure full disclosure of all revenues generated on public trust land and to promote accountability of the state agencies charged with utilizing and managing our public land trust resources. The reporting requirement provides a base of information to the Legislature so that the State may fulfill its fiduciary obligation to Native Hawaiians and the citizens of Hawaii fully and accurately. Some of the agencies charged with managing public trust lands have failed to provide consistent and full accounting of the revenues generated from public trust 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 Hawaiian 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. 2, 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. 2, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Hee, Kahele, Tokuda).

SCRep. 3057 (Joint) Hawaiian Affairs and Education on S.C.R. No. 87

The purpose and intent of this measure is to request the University of Hawaii:

- (1) With the assistance of the Department of Education and other educational organizations, as appropriate, to review the State's funding for existing English as a Second Language programs and Hawaiian language programs offered in Hawaii and any disparities in funding for the State's two official languages; and
- (2) To report its findings and recommendations, including projected costs to address any disparities in funding, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

Your Committees received testimony in support of this measure from the Department of Education and one individual. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that Hawaiian language is one of the State's two official languages. Unlike English as a Second Language instruction, the Hawaiian Language Immersion Program is intended to perpetuate and preserve Hawaiian language, which was on the verge of extinction twenty years ago. Your Committees note that the Department of Education testified that it will assist in the review of funding disparities for the two official languages.

Your Committees have amended this measure by:

- (1) Replacing references to “ESL program” with “English as a Second Language instruction and activities”, to account for the fact that the State does not offer an English as a Second Language Program per se, but offers English as a Second Language instruction and activities; and
- (2) Making a conforming amendment describing services to students in the State’s English Language Learner Program, which include English as a Second Language instruction and activities.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 87, 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. 87, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Hee, Nishihara, Taniguchi).

SCRep. 3058 (Joint) Hawaiian Affairs and Education on S.R. No. 43

The purpose and intent of this measure is to request the University of Hawaii:

- (1) With the assistance of the Department of Education and other educational organizations, as appropriate, to review the State’s funding for existing English as a Second Language programs and Hawaiian language programs offered in Hawaii and any disparities in funding for the State’s two official languages; and
- (2) To report its findings and recommendations, including projected costs to address any disparities in funding, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

Your Committees received testimony in support of this measure from the Department of Education and one individual. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that Hawaiian language is one of the State’s two official languages. Unlike English as a Second Language instruction, the Hawaiian Language Immersion Program is intended to perpetuate and preserve Hawaiian language, which was on the verge of extinction twenty years ago. Your Committees note that the Department of Education testified that it will assist in the review of funding disparities for the two official languages.

Your Committees have amended this measure by:

- (1) Replacing references to “ESL program” with “English as a Second Language instruction and activities”, to account for the fact that the State does not offer an English as a Second Language Program per se, but offers English as a Second Language instruction and activities; and
- (2) Making a conforming amendment describing services to students in the State’s English Language Learner Program, which include English as a Second Language instruction and activities.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 43, 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. 43, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Hee, Nishihara, Taniguchi).

SCRep. 3059 (Joint) Public Safety, Government Operations, and Military Affairs and Hawaiian Affairs on S.R. No. 53

The purpose and intent of this measure is to:

- (1) Honor United States President Grover Cleveland for his support of the Hawaiian monarchy and efforts to preserve the Hawaiian Kingdom, by requesting the State of Hawaii, City and County of Honolulu, County of Maui, County of Kauai, and County of Hawaii to name a state or county property in his name; and
- (2) Request the State Foundation on Culture and the Arts to commission a work of art, whether visual or literary, in his name.

Your Committees received testimony in support of this measure from the Hawaii State Foundation on Culture and the Arts, Association of Hawaiian Civic Clubs, and two individuals. Testimony in opposition was received from one individual.

Your Committees find that President Grover Cleveland was a friend of Queen Lili’uokalani, recognized the independence and sovereignty of the Kingdom of Hawaii, and extended full and complete diplomatic recognition to Hawaii’s government. In his first term of office, President Grover Cleveland supported treaties and conventions with the Hawaiian monarchy that governed commerce and navigation, including free trade with Hawaii, the treaty between the United States and the Hawaiian Kingdom that was ratified in 1887, and the installment of a naval base at Pearl Harbor in 1887.

On January 17, 1893, American and European businessmen who stood to lose political and financial power by constitutional reforms proposed by Queen Lili’uokalani, deposed her in a military coup d’état, and negotiated with President Benjamin Harrison’s Administration for the annexation of Hawaii to the United States reputedly for the personal financial gain of those American and European businessmen who were going to be impacted by the Queen’s proposed reform. President Cleveland considered the overthrow of the Hawaiian Kingdom to be an illegal act of war and considered Minister John Stevens’ declaration of Hawaii as a United States protectorate and participation by the United States military to be unauthorized. On March 9, 1893, five days after he took office, President Cleveland disavowed the Harrison treaty and withdrew it from consideration by the United States Senate.

President Cleveland declared that by those acts the government of a peaceful and friendly people was overthrown, the national character of the United States was tainted, and the rights of the Hawaiian people were injured, which merited American efforts to correct this “substantial wrong” and restore the Hawaiian Kingdom to its monarchs. President Cleveland strove to reinstate Queen

Lili'uokalani to her throne, make clear his desire, and pressure the Provisional Government to do so. President Cleveland declared that by those acts the government of a peaceful and friendly people was overthrown, the national character of the United States was tainted, and the rights of the Hawaiian people were injured, which merited American efforts to correct this "substantial wrong" and restore the Hawaiian Kingdom to its monarchs. Throughout his term, President Cleveland opposed annexation and tried to return Queen Lili'uokalani to power.

Your Committees believe that it is fitting and proper that President Grover Cleveland have public property named after him in recognition of his courageous and sincere efforts to assist Queen Lili'uokalani to ward off the pressures and forces that overthrew the Hawaiian Kingdom and annexed Hawaii to the United States.

Your Committees have amended this measure by:

- (1) Clarifying that the State Foundation on Culture and the Arts is requested to honor President Cleveland by commissioning, purchasing, or partnering with another entity to create or obtain a work of art in his name, since the Foundation does not strictly commission works of art; and
- (2) Amending the title accordingly.

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.R. No. 53, as amended herein, and recommend that it be referred to the Committee on Economic Development and Technology, in the form attached hereto as S.R. No. 53, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Baker, Hee, Slom, Solomon).

SCRep. 3060 (Joint) Public Safety, Government Operations, and Military Affairs and Hawaiian Affairs on S.C.R. No. 109

The purpose and intent of this measure is to:

- (1) Honor United States President Grover Cleveland for his support of the Hawaiian monarchy and efforts to preserve the Hawaiian Kingdom, by requesting the State of Hawaii, City and County of Honolulu, County of Maui, County of Kauai, and County of Hawaii to name a state or county property in his name; and
- (2) Request the State Foundation on Culture and the Arts to commission a work of art, whether visual or literary, in his name.

Your Committees received testimony in support of this measure from the Hawaii State Foundation on Culture and the Arts, Association of Hawaiian Civic Clubs, and two individuals. Testimony in opposition was received from one individual.

Your Committees find that President Grover Cleveland was a friend of Queen Lili'uokalani, recognized the independence and sovereignty of the Kingdom of Hawaii, and extended full and complete diplomatic recognition to Hawaii's government. In his first term of office, President Grover Cleveland supported treaties and conventions with the Hawaiian monarchy that governed commerce and navigation, including free trade with Hawaii, the treaty between the United States and the Hawaiian Kingdom that was ratified in 1887, and the installment of a naval base at Pearl Harbor in 1887.

On January 17, 1893, American and European businessmen who stood to lose political and financial power by constitutional reforms proposed by Queen Lili'uokalani, deposed her in a military coup d'état, and negotiated with President Benjamin Harrison's Administration for the annexation of Hawaii to the United States reputedly for the personal financial gain of those American and European businessmen who were going to be impacted by the Queen's proposed reform. President Cleveland considered the overthrow of the Hawaiian Kingdom to be an illegal act of war and considered Minister John Stevens' declaration of Hawaii as a United States protectorate and participation by the United States military to be unauthorized. On March 9, 1893, five days after he took office, President Cleveland disavowed the Harrison treaty and withdrew it from consideration by the United States Senate.

President Cleveland declared that by those acts the government of a peaceful and friendly people was overthrown, the national character of the United States was tainted, and the rights of the Hawaiian people were injured, which merited American efforts to correct this "substantial wrong" and restore the Hawaiian Kingdom to its monarchs. President Cleveland strove to reinstate Queen Lili'uokalani to her throne, make clear his desire, and pressure the Provisional Government to do so. President Cleveland declared that by those acts the government of a peaceful and friendly people was overthrown, the national character of the United States was tainted, and the rights of the Hawaiian people were injured, which merited American efforts to correct this "substantial wrong" and restore the Hawaiian Kingdom to its monarchs. Throughout his term, President Cleveland opposed annexation and tried to return Queen Lili'uokalani to power.

Your Committees believe that it is fitting and proper that President Grover Cleveland have public property named after him in recognition of his courageous and sincere efforts to assist Queen Lili'uokalani to ward off the pressures and forces that overthrew the Hawaiian Kingdom and annexed Hawaii to the United States.

Your Committees have amended this measure by:

- (1) Clarifying that the State Foundation on Culture and the Arts is requested to honor President Cleveland by commissioning, purchasing, or partnering with another entity to create or obtain a work of art in his name, since the Foundation does not strictly commission works of art; and
- (2) Amending the title accordingly.

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. 109, as amended herein, and recommend that it be referred to the Committee on Economic Development and Technology, in the form attached hereto as S.C.R. No. 109, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Baker, Hee, Slom, Solomon).

SCRep. 3061 Commerce and Consumer Protection on H.B. No. 2169

The purpose and intent of this measure is to establish a peer review process for public accounting firms that engage in attest work.

Your Committee received testimony in support of this measure from the Hawaii Association of Public Accountants; Niwao & Roberts, CPAs; Hawaii Society of Certified Public Accountants Board of Directors; CW Associates, CPAs; and twelve individuals. Your Committee received comments on this measure from the Board of Public Accountancy.

Your Committee finds this measure proposes to require all public accounting firms to undergo a peer review on the firm's attest work every three years. The ultimate goal of a peer review process is greater consumer protection for members of the public who rely on the attest work performed by certified public accounting firms.

Your Committee further finds that this measure is a result of a collaborative effort between the Hawaii Association of Public Accountants, the Hawaii Society of Certified Public Accountants, and other major stakeholders in the accounting profession. This measure embodies most of the intent and objectives of those who supported the original peer review measure, while also permitting peer reviewers and firms to comply with the professional standards for certified public accountants, and represents a workable solution to the State's mandatory peer review law.

Your Committee notes for further clarification that the words "report" and "reports" as used in this measure mean one or more reports.

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. 2169, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2169, 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, 3 (Galuteria, Slom, Solomon).

SCRep. 3062 Commerce and Consumer Protection on H.B. No. 2497

The purpose and intent of this measure is to correct errors, ambiguities, and inconsistencies in the Uniform Securities Act, chapter 485A, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that recent amendments to the Uniform Securities Act have resulted in errors, ambiguities, and inconsistencies. This measure will promote consistency throughout the securities chapter by correcting language regarding notice filing and drafting errors where internal references were wrongly cited.

Your Committee notes that the companion to this measure, S.B. No. 2759, S.D. 1, was previously passed by the Senate. The language in S.B. No. 2759, S.D. 1, is preferable because it is substantively identical to this measure but additionally contains technical amendments to correct a drafting error and accurately reflect existing statutory language.

Accordingly, your Committee has amended this measure by replacing its contents with the contents of S.B. No. 2759, S.D. 1.

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. 2497, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2497, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

SCRep. 3063 (Joint) Hawaiian Affairs and Economic Development and Technology on H.B. No. 1984

The purpose and intent of this measure is to designate the month of February as "Olelo Hawaii Month" to celebrate and encourage the use of Hawaiian language.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs; Association of Hawaiian Civic Clubs; Papa Ola Lokahi; Makaha Hawaiian Civic Club; and two individuals.

Your Committees find that great strides have been made to bring about a renaissance of the Hawaiian language. For example, in 1978, the Hawaii Constitution was amended to recognize the Hawaiian language as one of the two official languages of the State. Furthermore, in 2005 the University of Hawai'i Board of Regents approved the offering of a Master of Arts degree in the Hawaiian Language.

Your Committees have amended this measure by deleting its contents and replacing them with the contents of S.B. No. 2175, S.D. 1, but modifying those contents to insert additional diacritical marks in the Hawaiian language portion. As amended, this measure:

- (1) Designates the month of February as "Olelo Hawai'i Month" to celebrate and encourage the use of Hawaiian language;

- (2) Requires that all newly created, replaced, or reprinted state and county documents, letterheads, symbols, and emblems contain accurate, appropriate, and authentic Hawaiian names and language, effective January 1, 2013; and
- (3) Requires that Hawaiian names and words be deemed accurate, appropriate, and authentic when printed in conformance with "Hawaiian Dictionary: Hawaiian-English, English-Hawaiian", by Mary Kawena Pukui and Samuel H. Elbert, University of Hawai'i Press, copyright 1986, or "Māmakā Kaiao: A Modern Hawaiian Vocabulary", developed by Kōmike Hua'olelo, the Hawaiian Lexicon Committee.

As affirmed by the records of votes of the members of your Committees on Hawaiian 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. 1984, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1984, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Hee, Slom, Wakai).

SCRep. 3064 Health on Gov. Msg. Nos. 757, 758, and 759.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF CERTIFICATION OF PUBLIC WATER SYSTEM OPERATORS

- G.M. No. 757 ROBERT SPETICH, for a term to expire 6-30-2016;
G.M. No. 758 JODI YAMAMI, for a term to expire 6-30-2016; and
G.M. No. 759 LAN YONEDA, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Robert Spetich, Jodi Yamami, and Lan Yoneda to possess the requisite qualifications to be nominated to the Board of Certification of Public Water System Operators.

Your Committee received testimony in support of the nomination of Robert Spetich from the Department of Health.

Mr. Spetich is a registered professional chemical engineer and has thirty-three years of experience in water and wastewater engineering, management, and operations, which has provided him with a well-rounded knowledge of the skills necessary for work on water systems as well as the necessity for qualified individuals for such work. Mr. Spetich has served on the Board of Certification of Public Water System Operators for the past four years and provided valuable insight to the Board. Your Committee finds that Mr. Spetich's thoroughness, fairness, and integrity as well as his willingness to be reappointed are qualities of a committed and valuable member of the Board.

Your Committee received testimony in support of the nomination of Jodi Yamami from the Department of Health.

Ms. Yamami has over seventeen years of professional experience as an engineer. For the past five years in her work at the Department of Health's Safe Drinking Water Branch, Ms. Yamami has been responsible for the implementation and administration of the drinking water treatment plant operator and distribution system operator certification programs. In this capacity, Ms. Yamami has gained much experience working with operators by renewing certifications, providing technical assistance, developing and conducting training, and many other critical services related to the operation of public water systems. Ms. Yamami is being nominated for reappointment after serving for four years on this Board.

Your Committee received testimony in support of the nomination of Lan Yoneda from the Department of Health.

Mr. Yoneda is a licensed civil engineer and has fifteen years of experience in water system operations as he was the Superintendent of the Field Operations Division of the Board of Water Supply, City and County of Honolulu. Mr. Yoneda is now Assistant Chief of the Road Division of the Department of Facility Maintenance, City and County of Honolulu, but continues to keep his distribution system operator license current. Your Committee finds that Mr. Yoneda's integrity, responsibility, and experience will be of much service to the Board. Mr. Yoneda also demonstrates his commitment by seeking reappointment for a second term to the Board.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Slom).

SCRep. 3065 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on S.C.R. No. 15

The purpose and intent of this measure is to urge the United States Congress to enact H.R. 2438 or similar legislation that protects the rights of travelers in the nations' airports.

Your Committees received testimony in support of this measure from the American Civil Liberties Union of Hawaii and two individuals. Comments were received from one individual.

H.R. 2438 provides that federal employees who provide security screening for airports are not immune from any United States law regarding physical contact with another person, making images of another person, or causing physical harm through the use of radiation-emitting machinery on another person. Your Committees find that many travelers have found the pat-down searches conducted by employees of the Transportation Security Administration to be a humiliating experience bordering on physical and

emotional abuse, whether imposed in public or private, and that H.R. 2438 would implement some deterrence against potentially inappropriate behavior by federal employees who are subject to this legislation.

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 S.C.R. No. 15 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Baker, Kahele, Kidani, Kouchi).

SCRep. 3066 Education on S.C.R. No. 104

The purpose and intent of this measure is to request the Board of Education and Department of Education to maintain, monitor, and enforce anti-bullying, anti-cyberbullying, and anti-harassment policies and procedures to protect students at public and charter schools.

Your Committee received testimony in support of this measure from the Department of Education, Hawaii Youth Services Network, American Civil Liberties Union of Hawai'i, IMUAlliance, Mental Health America of Hawai'i, Equality Hawai'i, and fourteen individuals.

Your Committee finds that all students have a right to participate fully in the education process, free from bullying, cyberbullying, and harassment. This measure will help ensure that there are policies and procedures in place to protect public and charter school students from bullying, cyberbullying, and harassment.

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. 104 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3067 Education on S.C.R. No. 79

The purpose and intent of this measure is to request the Board of Education and Department of Education to collaborate with parent organizations to establish, implement, and monitor statewide policies for family engagement in the public schools.

Your Committee received testimony in support of this measure from the Department of Education, Hawai'i State Parent Student Association, Hui for Excellence in Education, Special Education Advisory Council, Community Children's Council, Community Children's Council of Hawaii, Hawaii Education Matters, and Faith Action for Community Equity.

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.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 79 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3068 Education on S.C.R. No. 78

The purpose and intent of this measure is to request the Board of Education to require each school community council to:

- (1) Review its school's attendance policy;
- (2) Create benchmarks to improve school attendance; and
- (3) Develop an implementation plan to meet those benchmarks.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawaii.

Your Committee finds that student attendance is an essential component of high student achievement. Your Committee further finds that school community councils should be the venue for establishing student attendance goals and supporting and promoting school attendance by all students.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 78 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3069 Agriculture on S.C.R. No. 50

The purpose and intent of this measure is to declare Sundays to be "Eat Local, Buy Local" day in Hawaii and to encourage families, restaurants, and grocers to buy Hawaii-grown foods, flowers, and produce.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, and Hawaii Cattlemen's Council.

Your Committee finds that buying locally produced agricultural products and supporting the growth of the agricultural industry will result in higher food quality and improved food safety and security, and will provide economic benefits to Hawaii's communities.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 50 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Slom, Tokuda).

SCRep. 3070 Agriculture on S.R. No. 72

The purpose and intent of this measure is to express support for the Department of Agriculture's efforts to stimulate the State's agriculture industry, increase and diversify agricultural output, and promote food security.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, and Hawaii Cattlemen's Council.

Your Committee finds that the local agriculture industry is vital to the State's economy and the public's well-being. Your Committee supports the Department of Agriculture's diligent efforts to increase agricultural sustainability and improve the economic viability of the State's agriculture industry through its agriculture development and food security program.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 72 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Slom, Tokuda).

SCRep. 3071 Agriculture on S.C.R. No. 135

The purpose and intent of this measure is to express support for the Department of Agriculture's efforts to stimulate the State's agriculture industry, increase and diversify agricultural output, and promote food security.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, and Hawaii Cattlemen's Council.

Your Committee finds that the local agriculture industry is vital to the State's economy and the public's well-being. Your Committee supports the Department of Agriculture's diligent efforts to increase agricultural sustainability and improve the economic viability of the State's agriculture industry through its agriculture development and food security program.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 135 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Slom, Tokuda).

SCRep. 3072 Commerce and Consumer Protection on Gov. Msg. Nos. 504 and 505.

Recommending that the Senate advise and consent to the nominations of the following:

CABLE ADVISORY COMMITTEE

G.M. No. 504 BETH TOKIOKA, for a term to expire 6-30-2016; and

G.M. No. 505 AUSTIN VALI, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Beth Tokioka and Austin Vali to possess the requisite qualifications to be nominated to the Cable Advisory Committee.

Your Committee received testimony in support of the nomination of Beth Tokioka from the Cable Television Division of the Department of Commerce and Consumer Affairs; Kauai Economic Development Board, Inc.; Kauai Planning and Action Alliance; Fujita & Miura Public Relations, Inc.; and four individuals.

Upon review of the testimony, your Committee finds that the nominee's professional experience in media, communications, and related fields, and personal dedication to her community will bring a well-rounded perspective to the Cable Advisory Committee. Your Committee further finds that the nominee has held various high-level roles in her professional career and is knowledgeable about the dynamics of the government's roles and responsibilities relating to media and public information dissemination. Your Committee notes that the nominee understands the issues facing cable television and its regulation, will provide a valuable neighbor island perspective to various issues before the Committee, and is highly qualified to serve as a member of the Cable Advisory Committee.

Your Committee received testimony in support of the nomination of Austin Vali from the Cable Television Division of the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that the nominee's extensive professional experience in the media industry and dedication to his community will make him a valuable resource on the Cable Advisory Committee. Your Committee further finds that the nominee's long career in media reflects the strength of his experience. The nominee worked his way from on-air talent, to program director, and eventually president and owner of two local radio stations. Your Committee notes that the nominee understands the function and responsibility of the Cable Advisory Committee, has demonstrated his dedication by participating and providing valuable insight during the last Cable Advisory Committee meeting, and is highly qualified to serve as a member of the Cable Advisory Committee.

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. 3073 Commerce and Consumer Protection on Gov. Msg. Nos. 508, 509, and 737.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF NATUROPATHIC MEDICINE

- G.M. No. 508 L. MARTIN JOHNSON, for a term to expire 6-30-2014;
G.M. No. 509 AUDREY NG, for a term to expire 6-30-2015; and
G.M. No. 737 KEVIN GIBSON, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds L. Martin Johnson, Audrey Ng, and Kevin Gibson to possess the requisite qualifications to be nominated to the Board of Naturopathic Medicine.

Your Committee received testimony in support of the nomination of L. Martin Johnson from the Department of Commerce and Consumer Affairs and eight individuals.

Upon review of the testimony, your Committee finds that Dr. Johnson's professional experience and desire to contribute to the community qualify him to serve as a public member of the Board of Naturopathic Medicine. Your Committee notes that Dr. Johnson is a licensed psychologist and has knowledge of the health care system as a provider and a consumer. Dr. Johnson has demonstrated his commitment to public service and his leadership abilities by virtue of his service as adjunct faculty at various local universities, chair of various committees that provide public education and advocacy, service on the Board of the Hawaii Psychological Association, and current service as an interim appointee to the Board of Naturopathic Medicine. Your Committee finds that his knowledge, background, and commitment to community service will allow him to effectively represent the interests of the public on the Board of Naturopathic Medicine.

Your Committee received testimony in support of the nomination of Audrey Ng from the Department of Commerce and Consumer Affairs and five individuals.

Upon review of the testimony, your Committee finds that Ms. Ng's professional experience and commitment to public service qualify her to serve as a public member of the Board of Naturopathic Medicine. Your Committee notes that Ms. Ng is a practicing attorney and would be able to utilize her skills in reviewing and interpreting governing statutes and regulations that might come before the Board. Ms. Ng has demonstrated her commitment to public service and her leadership abilities by virtue of her experience on the Board of Directors of Lanakila Rehabilitation Center and Hawaii Strategic Development Corporation, as a member of the Contractors Licensing Board, and as an interim appointee of the Board of Naturopathic Medicine. Your Committee finds that her knowledge, background, and commitment to community service will allow her to effectively represent the interests of the public on the Board of Naturopathic Medicine.

Your Committee received testimony in support of the nomination of Kevin Gibson from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Dr. Gibson's experience as a naturopathic physician, commitment to protecting consumer health and safety, and proven leadership on the Board of Naturopathic Medicine qualify him for reappointment to the Board of Naturopathic Medicine. Your Committee notes that Dr. Gibson has been licensed as a Hawaii naturopathic physician since 2002. He has served on the Board of Naturopathic Medicine since 2009, and his expertise as a naturopathic physician together with his experience working in the environmental health and engineering science field brings a broad perspective to all Board discussions. Your Committee further finds that Dr. Gibson has been reappointed to the Board of Naturopathic Medicine 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, 6. Noes, none. Excused, 1 (Solomon).

SCRep. 3074 Commerce and Consumer Protection on Gov. Msg. Nos. 502, 503, 656, 657, and 658.

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF BARBERING AND COSMETOLOGY

- G.M. No. 502 ALEXANDER CHOI, for a term to expire 6-30-2013;
G.M. No. 503 ANGELA HOWARD, for a term to expire 6-30-2015;
G.M. No. 656 LANCE MARUGAME, for a term to expire 6-30-2016;
G.M. No. 657 CHAD NELSON, for a term to expire 6-30-2016; and
G.M. No. 658 CHRISTOBAL QUINTANA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Alexander Choi, Angela Howard, Lance Marugame, Chad Nelson, and Christobal Quintana to possess the requisite qualifications to be nominated to the State Board of Barbering and Cosmetology.

Your Committee received testimony in support of the nomination of Alexander Choi from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Mr. Choi's background and desire to serve the community qualify him to serve as a public member of the Board of Barbering and Cosmetology. Your Committee notes that, as the owner of a full-service beauty salon with five locations on Oahu, Mr. Choi possesses a working knowledge of the beauty industry, which enables him to contribute a valuable perspective to the Board. Your Committee further finds that Mr. Choi currently serves as an interim appointee to the Board of Barbering and Cosmetology, and is fully qualified to advocate for the public interest as a public member of the Board of Barbering and Cosmetology.

Your Committee received testimony in support of the nomination of Angela Howard from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Ms. Howard's background and commitment to serving the public interest qualify her to serve as a public member of the Board of Barbering and Cosmetology. Your Committee notes that Ms. Howard is the managing director of an internationally recognized hair services and products corporation with six locations in Hawaii and currently serves as an interim appointee to the Board of Barbering and Cosmetology. Ms. Howard is able to provide her unique perspective to the Board, effectively advocate for consumer protection, and is fully qualified to serve the public interest as a public member of the Board of Barbering and Cosmetology.

Your Committee received testimony in support of the nomination of Lance Marugame from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Mr. Marugame's experience as a licensed barber, commitment to public service, and proven leadership on the Board of Barbering and Cosmetology qualify him for reappointment to the Board of Barbering and Cosmetology. Your Committee notes that Mr. Marugame has been a licensed barber in Hawaii for nearly forty years. The nominee previously served for nine years as a member of the Board of Barbers and twelve years as a member of the Board of Barbering and Cosmetology. Mr. Marugame is currently the Chairperson of the Board of Barbering and Cosmetology and has been reappointed to the Board of Barbering and Cosmetology based on his knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Chad Nelson from the Department of Commerce and Consumer Affairs, Hawaii Kai Youth Baseball, and three individuals.

Upon review of the testimony, your Committee finds that Mr. Nelson's background and dedication to the beauty industry qualify him to serve as a public member of the Board of Barbering and Cosmetology. Your Committee notes that Mr. Nelson is currently the Regional Director of a well-known salon business in the State and the operator of a beauty supply warehouse. In his role as Regional Director, he has attended several meetings of the Board of Barbering and Cosmetology and thus is familiar with the role and responsibilities of the Board. Mr. Nelson is committed to the professionalism of the beauty industry and is fully qualified to serve the public interest as a public member of the Board of Barbering and Cosmetology.

Your Committee received testimony in support of the nomination of Christobal Quintana from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Mr. Quintana's experience as a licensed barber, commitment to public service, and prior leadership on the Board of Barbering and Cosmetology qualify him for appointment to the Board of Barbering and Cosmetology. Your Committee notes that Mr. Quintana has been a licensed barber in Hawaii for over fifty years and previously served as a member of the Board of Barbers and the Board of Barbering and Cosmetology. Mr. Quintana's extensive experience and expertise as a licensed barber and as an active participant in the industry's legislative and professional initiatives will be an asset to the Board. Your Committee further finds that he has been appointed to the Board of Barbering and Cosmetology 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, 4. Noes, none. Excused, 3 (Green, Solomon, Slom).

SCRep. 3075 Commerce and Consumer Protection on Gov. Msg. Nos. 734, 735, and 736.

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII MEDICAL BOARD

G.M. No. 734 LESLIE BARRICKMAN, for a term to expire 6-30-2015;

G.M. No. 735 THOMAS KOSASA, for a term to expire 6-30-2016; and

G.M. No. 736 KAREN SEPT, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Leslie Barrickman, Thomas Kosasa, and Karen Sept to possess the requisite qualifications to be nominated to the Hawaii Medical Board.

Your Committee received testimony in support of the nomination of Leslie Barrickman from the Department of Commerce and Consumer Affairs, Hawaii Medical Association, and two individuals.

Upon review of the testimony, your Committee finds that Dr. Barrickman's experience as an osteopathic physician, desire to contribute to the community, and proven leadership qualify him for appointment to the Hawaii Medical Board. Your Committee notes

that Dr. Barrickman has been in the field of medicine for over three decades, and has worked in several hospitals and in many multidisciplinary settings, including universities, private practice, and the military. Dr. Barrickman has extensive leadership experience by virtue of his service on various committees and boards and is the current President of the Hawaii Association of Osteopathic Physicians and Surgeons. Dr. Barrickman currently serves as an interim appointee on the Hawaii Medical Board, where he is able to contribute his unique perspective to matters before the Board. Your Committee further finds that he has been appointed to the Hawaii Medical Board based on his knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Thomas Kosasa from the Department of Commerce and Consumer Affairs and Hawaii Medical Association.

Upon review of the testimony, your Committee finds that Dr. Kosasa's experience as a physician, desire to contribute to the community, and proven leadership on the Hawaii Medical Board qualify him for reappointment to the Hawaii Medical Board. Your Committee notes that Dr. Kosasa has been licensed as a physician for thirty-seven years and has been on the faculty in the Department of Obstetrics and Gynecology at the John A. Burns School of Medicine since 1978. Dr. Kosasa was first appointed to the Hawaii Board of Medicine in 1999 and again in 2008, and his many years of experience as a practitioner, advocacy of health care, and dedication to the wellness of Hawaii's residents continue to enhance the effectiveness of the Board. Your Committee further finds that he has been reappointed to the Hawaii Medical Board based on his knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Karen Sept from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Dr. Sept's experience as an osteopathic physician, desire to contribute to the community, and commitment to serving on the Hawaii Medical Board qualify her for appointment to the Hawaii Medical Board. Your Committee notes that Dr. Sept has been an osteopathic physician for almost three decades and has been licensed in Hawaii since 1994. Dr. Sept currently teaches osteopathic medical students in the State and serves as an interim appointee on the Hawaii Medical Board. Dr. Sept's knowledge on matters ranging from medical malpractice to standards of medical practice and her ongoing interest in providing high quality medical care, osteopathy, and alternative medicine are of great value to the Hawaii Medical Board. Your Committee further finds that she has been appointed to the Hawaii Medical Board based on her 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 (Green, Solomon, Slom).

SCRep. 3076 Human Services on S.C.R. No. 130

The purpose and intent of this measure is to support efforts of non-governmental organizations that assist in finding opportunities and solutions to address homelessness in Hawaii.

Your Committee received testimony in support of this measure from Hawaii Youth Services Network and United Self Help.

Your Committee finds homelessness is a multi-faceted issue that requires a holistic approach to addressing and eliminating homelessness in Hawaii. Many non-governmental organizations provide street outreach, emergency shelter, and transitional living services to individuals and families who are homeless. This measure expresses the Legislature's support of the efforts of these non-governmental organizations as they find opportunities and solutions to address homelessness in the State.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 130 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3077 (Joint) Hawaiian Affairs and Economic Development and Technology on S.R. No. 51

The purpose and intent of this measure is to request the Governor to convene a Governor's Special Task Force on Hawaiian Historical Sites Preservation to provide fiscal stability and a source of continuous funding for each of the Bernice Pauahi Bishop Museum, Hulihe'e Palace, Washington Place, and 'Iolani Palace.

Your Committees received testimony in support of this measure from the Historic Hawaii Foundation, 'Iolani Palace, and Bernice Pauahi Bishop Museum. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees find that all of the historic properties named in this measure are designated as significant historic resources. Bishop Museum and Hulihe'e Palace are designated on the National Register of Historic Places; and Washington Place and 'Iolani Palace are National Historic Landmarks, the highest level of recognition for historic significance and integrity. Mauna Ala, the Royal Mausoleum, is also on the National Register of Historic Places. Each of these sites is an important icon for Hawaii residents and visitors. Yet all of them face great financial stress and challenges to preserve and restore their historic features and provide public programming.

Your Committees have amended this measure by:

- (1) Amending its title to request that the Senate Committees on Hawaiian Affairs and Economic Development and Technology, rather than the Governor, convene a Special Task Force on Hawaiian Historical Sites Preservation;
- (2) Requesting that one representative from each committee serve as a co-chair of the special task force;

- (3) Including Mauna Ala, the Royal Mausoleum, among the sites within the purview of the special task force and adding information regarding the location and significance of Mauna Ala;
- (4) Amending the membership of the special task force by:
 - (A) Eliminating a designee of the Governor, a Senator selected by the President of the Senate, and a Representative selected by the Speaker of the House of Representatives;
 - (B) Adding two Senators representing the Senate Committee on Hawaiian Affairs, two Senators representing the Senate Committee on Economic Development and Technology, two Representatives representing the House Committee on Hawaiian Affairs, two Representatives representing the House Committee on Economic Revitalization and Business, and one representative of Mauna Ala to be selected by the co-chairs of the special task force; and
 - (C) Requiring the co-chairs of the special task force, rather than the Governor, to select one representative from each of the Bernice Pauahi Bishop Museum, Hulihe'e Palace, Washington Place, and 'Iolani Palace;
- (5) Inserting language that provides that the special task force members not be considered employees for the purposes of chapter 84, Hawaii Revised Statutes, based solely upon their participation in the special task force; 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 Hawaiian Affairs and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 51, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 51, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, English, Hee, Kahele).

SCRep. 3078 (Joint) Hawaiian Affairs and Economic Development and Technology on S.C.R. No. 107

The purpose and intent of this measure is to request the Governor to convene a Governor's Special Task Force on Hawaiian Historical Sites Preservation to provide fiscal stability and a source of continuous funding for each of the Bernice Pauahi Bishop Museum, Hulihe'e Palace, Washington Place, and 'Iolani Palace.

Your Committees received testimony in support of this measure from the Historic Hawaii Foundation, 'Iolani Palace, and Bernice Pauahi Bishop Museum. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees find that all of the historic properties named in this measure are designated as significant historic resources. Bishop Museum and Hulihe'e Palace are designated on the National Register of Historic Places; and Washington Place and 'Iolani Palace are National Historic Landmarks, the highest level of recognition for historic significance and integrity. Mauna Ala, the Royal Mausoleum, is also on the National Register of Historic Places. Each of these sites is an important icon for Hawaii residents and visitors. Yet all of them face great financial stress and challenges to preserve and restore their historic features and provide public programming.

Your Committees have amended this measure by:

- (1) Amending its title to request that the Senate Committees on Hawaiian Affairs and Economic Development and Technology, rather than the Governor, convene a Special Task Force on Hawaiian Historical Sites Preservation;
- (2) Requesting that one representative from each committee serve as a co-chair of the special task force;
- (3) Including Mauna Ala, the Royal Mausoleum, among the sites within the purview of the special task force and adding information regarding the location and significance of Mauna Ala;
- (4) Amending the membership of the special task force by:
 - (A) Eliminating a designee of the Governor, a Senator selected by the President of the Senate, and a Representative selected by the Speaker of the House of Representatives;
 - (B) Adding two Senators representing the Senate Committee on Hawaiian Affairs, two Senators representing the Senate Committee on Economic Development and Technology, two Representatives representing the House Committee on Hawaiian Affairs, two Representatives representing the House Committee on Economic Revitalization and Business, and one representative of Mauna Ala to be selected by the co-chairs of the special task force; and
 - (C) Requiring the co-chairs of the special task force, rather than the Governor, to select one representative from each of the Bernice Pauahi Bishop Museum, Hulihe'e Palace, Washington Place, and 'Iolani Palace;
- (5) Inserting language that provides that the special task force members not be considered employees for the purposes of chapter 84, Hawaii Revised Statutes, based solely upon their participation in the special task force; 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 Hawaiian Affairs and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 107, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 107, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, English, Hee, Kahele).

SCRep. 3079 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on S.R. No. 17

The purpose and intent of this measure is to request the City and County of Honolulu to review its policies regarding street and road widening, with regard to its impact on pedestrian safety, particularly in neighborhoods with significant senior populations.

No testimony was submitted to your Committees.

Your Committees are concerned that the recent widespread rains and flooding in the State have caused an emergency situation on the island of Maui. The situation on Maui became particularly acute when the heavy rains washed out the Hanawana Land Bridge that is now fortunately under repair by Maui County which assumed an immediate and appropriate response without regard to legal title to the Bridge. There has been a long-standing dispute over the ownership of "roads in limbo" or "government roads" located in Maui County as well as in the other counties. Your Committees find that the safety and welfare of the public is of paramount concern, and the quality of roadway maintenance has a direct impact on the safety of individuals operating motor vehicles and on ensuring continuous access between remote locations.

Accordingly, your Committees have amended this measure by:

- (1) Changing the title of the measure to read: "REQUESTING THE DEPARTMENT OF TRANSPORTATION TO FORM A WORKING GROUP TO EXPEDITIOUSLY RESOLVE THE ISSUE OF ROADS IN LIMBO IN MAUI COUNTY"; and
- (2) Deleting its contents and inserting language to request the Department of Transportation to form a working group to expeditiously resolve the issue of roads in limbo in Maui County for the greater good of the residents of Maui. The Department of Transportation will submit to the Legislature, no later than twenty days prior to the convening of the Regular Session of 2013, a report of the findings and recommendations of the working group, including any proposed legislation.

Your Committees' intent is that the working group reach an agreement to finally resolve title issues and maintenance issues with regard to roads in limbo in Maui County. After decades of dispute, the working group is the ultimate means of bringing the parties together to meet, discuss, and reach agreement on which roads belong to whom. Your Committees realize that there may be issues of financing and expense with regard to maintenance and liability, but an analysis of these matters should be included in the report to the Legislature. Your Committees believe that the absence of a clear line of title to any of the roads in limbo should not be an excuse for failure to reach an agreement, and neither should the issues surrounding statutes and ordinances hinder an agreement.

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 S.R. No. 17, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 17, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Gabbard, Slom).

SCRep. 3080 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on S.C.R. No. 49

The purpose and intent of this measure is to request the City and County of Honolulu to review its policies regarding street and road widening, with regard to its impact on pedestrian safety, particularly in neighborhoods with significant senior populations.

No testimony was submitted to your Committees.

Your Committees are concerned that the recent widespread rains and flooding in the State have caused an emergency situation on the island of Maui. The situation on Maui became particularly acute when the heavy rains washed out the Hanawana Land Bridge that is now fortunately under repair by Maui County which assumed an immediate and appropriate response without regard to legal title to the Bridge. There has been a long-standing dispute over the ownership of "roads in limbo" or "government roads" located in Maui County as well as in the other counties. Your Committees find that the safety and welfare of the public is of paramount concern, and the quality of roadway maintenance has a direct impact on the safety of individuals operating motor vehicles and on ensuring continuous access between remote locations.

Accordingly, your Committees have amended this measure by:

- (1) Changing the title of the measure to read: "REQUESTING THE DEPARTMENT OF TRANSPORTATION TO FORM A WORKING GROUP TO EXPEDITIOUSLY RESOLVE THE ISSUE OF ROADS IN LIMBO IN MAUI COUNTY"; and
- (2) Deleting its contents and inserting language to request the Department of Transportation to form a working group to expeditiously resolve the issue of roads in limbo in Maui County for the greater good of the residents of Maui. The Department of Transportation will submit to the Legislature, no later than twenty days prior to the convening of the Regular Session of 2013, a report of the findings and recommendations of the working group, including any proposed legislation.

Your Committees' intent is that the working group reach an agreement to finally resolve title issues and maintenance issues with regard to roads in limbo in Maui County. After decades of dispute, the working group is the ultimate means of bringing the parties together to meet, discuss, and reach agreement on which roads belong to whom. Your Committees realize that there may be issues of financing and expense with regard to maintenance and liability, but an analysis of these matters should be included in the report to the Legislature. Your Committees believe that the absence of a clear line of title to any of the roads in limbo should not be an excuse for failure to reach an agreement, and neither should the issues surrounding statutes and ordinances hinder an agreement.

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 S.C.R. No. 49, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 49, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Gabbard, Slom).

SCRep. 3081 Health on S.R. No. 5

The purpose and intent of this measure is to request the Department of Health to establish a state health initiative to reduce the occurrences of chronic obstructive pulmonary disease in Hawaii.

Your Committee received testimony in support of this measure from the Department of Health, the Hawaii COPD Coalition, and one individual.

Your Committee finds that chronic obstructive pulmonary disease is the third leading cause of death in the United States, killing more than one hundred twenty thousand persons a year, or one person every four minutes. In 2010 alone, this disease cost the United States an estimated \$50,000,000,000 in direct and indirect expenses. Your Committee also finds that though this disease is progressive, it is also preventable and treatable, though early screening and detection are critical. Consequently, in order to reduce the State's future expenditures on health costs and to improve the overall wellbeing of the residents of the State, a preventive measure to reduce the occurrences of chronic obstructive pulmonary disease in Hawaii is necessary.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 5 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Wakai, Slom).

SCRep. 3082 Health on S.C.R. No. 4

The purpose and intent of this measure is to request the Department of Health to establish a state health initiative to reduce the occurrences of chronic obstructive pulmonary disease in Hawaii.

Your Committee received testimony in support of this measure from the Department of Health, the Hawaii COPD Coalition, and one individual.

Your Committee finds that chronic obstructive pulmonary disease is the third leading cause of death in the United States, killing more than one hundred twenty thousand persons a year, or one person every four minutes. In 2010 alone, this disease cost the United States an estimated \$50,000,000,000 in direct and indirect expenses. Your Committee also finds that though this disease is progressive, it is also preventable and treatable, though early screening and detection are critical. Consequently, in order to reduce the State's future expenditures on health costs and to improve the overall wellbeing of the residents of the State, a preventive measure to reduce the occurrences of chronic obstructive pulmonary disease in Hawaii is necessary.

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 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Wakai, Slom).

SCRep. 3083 Health on S.R. No. 89

The purpose and intent of this measure is to declare the month of April of each year as Autism Awareness Month in Hawaii.

Your Committee received testimony in support of this measure from the Department of Health, State Council on Developmental Disabilities, Autism Speaks, Community Children's Council of Hawaii, Autism Society, and four individuals.

Your Committee finds that the incidence of autism spectrum disorders is increasing by ten to seventeen percent per year. The United States Centers for Disease Control and Prevention estimate that autism affects as many as one in every one hundred ten children, and studies have found that over the last twelve years, the prevalence of autism has dramatically increased by 289.5 percent. Your Committee also finds that while there is no cure for autism, early identification allows parents to seek early intervention services, which may spare individuals from life-long dependency as a ward of the State. Your Committee consequently finds that designating April as Autism Awareness Month falls in line with National Autism Awareness Month and provides a special opportunity for advocates and state and private agencies to increase awareness of autism, early developmental screenings, and early intervention services.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 89 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Wakai, Slom).

SCRep. 3084 Health on S.C.R. No. 101

The purpose and intent of this measure is to declare the month of April of each year as Autism Awareness Month in Hawaii.

Your Committee received testimony in support of this measure from the Department of Health, State Council on Developmental Disabilities, Autism Speaks, Community Children's Council of Hawaii, Autism Society, and four individuals.

Your Committee finds that the incidence of autism spectrum disorders is increasing by ten to seventeen percent per year. The United States Centers for Disease Control and Prevention estimate that autism affects as many as one in every one hundred ten children, and studies have found that over the last twelve years, the prevalence of autism has dramatically increased by 289.5 percent. Your Committee also finds that while there is no cure for autism, early identification allows parents to seek early intervention services, which may spare individuals from life-long dependency as a ward of the State. Your Committee consequently finds that designating

April as Autism Awareness Month falls in line with National Autism Awareness Month and provides a special opportunity for advocates and state and private agencies to increase awareness of autism, early developmental screenings, and early intervention services.

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. 101 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Wakai, Slom).

SCRep. 3085 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 106

The purpose and intent of this measure is to request Hawaii's Congressional delegation to vote in favor of H.R. 2148, 112th Congress, First Session, to extend military commissary and exchange store privileges to veterans with a compensable service-connected disability and their dependents.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women; Military Officers Association of America, Hawaii Chapter; and three individuals.

Your Committee finds that only veterans with a one hundred percent disability rating are extended privileges at Defense Commissary Agency facilities such as military exchanges. Your Committee believes that all veterans with a service-connected disability, regardless of the extent of disability, should have the same privileges.

Your Committee has amended this measure by:

- (1) Changing the term "dependents" to "family members", in keeping with the terms of the military veterans benefits regulations; 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 concurs with the intent and purpose of S.C.R. No. 106, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 106, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3086 Public Safety, Government Operations, and Military Affairs on H.C.R. No. 18

The purpose and intent of this measure is to request Hawaii's Congressional delegation to support the efforts of the National Women's History Museum to secure a permanent home in the nation's capital.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women and two individuals.

Your Committee finds that the National Women's History Museum, founded in 1996, is a nonpartisan, nonprofit, educational institution dedicated to preserving, interpreting, and celebrating the diverse historic contributions of women, and integrating the heritage of women fully into this nation's history. The National Women's History Museum seeks a site on or close to the National Mall and in close proximity to the White House and United States Capitol Building. The National Women's History Museum will showcase the full history of women in the United States and the contributions they have made and continue to make in the marketplace, arts and sciences, government, entertainment, education, home, and 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 concurs with the intent and purpose of H.C.R. No. 18, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3087 Commerce and Consumer Protection on S.C.R. No. 142

The purpose and intent of this measure is to urge the Department of Commerce and Consumer Affairs and the National Association of Social Workers, Hawaii Chapter, to develop continuing education requirements for licensed social workers in Hawaii.

Your Committee received testimony in support of this measure from the University of Hawaii, Manoa Myron B. Thompson School of Social Work; National Association of Social Workers, Hawaii Chapter; and eight individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that Hawaii is one of only three states that do not require continuing education for licensed social workers. Continuing education in any profession increases the knowledge base and competency levels of professionals. Continuing education requirements ensure that licensed social workers have access to the best practices and innovations in the field of social work and can continue to provide quality services to an array of clients, and are necessary to increase and maintain professional competence.

Your Committee further finds that this measure encourages the Department of Commerce and Consumer Affairs and the National Association of Social Workers, Hawaii Chapter, to develop continuing education requirements for licensed social workers. Your Committee appreciates the work that has been done by these entities and encourages the parties to continue their collaborative efforts.

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. 142 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

SCRep. 3088 Commerce and Consumer Protection on S.R. No. 78

The purpose and intent of this measure is to urge the Department of Commerce and Consumer Affairs and the National Association of Social Workers, Hawaii Chapter, to develop continuing education requirements for licensed social workers in Hawaii.

Your Committee received testimony in support of this measure from the University of Hawaii, Manoa Myron B. Thompson School of Social Work; National Association of Social Workers, Hawaii Chapter; and eight individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that Hawaii is one of only three states that do not require continuing education for licensed social workers. Continuing education in any profession increases the knowledge base and competency levels of professionals. Continuing education requirements ensure that licensed social workers have access to the best practices and innovations in the field of social work and can continue to provide quality services to an array of clients, and are necessary to increase and maintain professional competence.

Your Committee further finds that this measure encourages the Department of Commerce and Consumer Affairs and the National Association of Social Workers, Hawaii Chapter, to develop continuing education requirements for licensed social workers. Your Committee appreciates the work that has been done by these entities and encourages the parties to continue their collaborative efforts.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 78 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

SCRep. 3089 Commerce and Consumer Protection on Gov. Msg. Nos. 506 and 507.

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

G.M. No. 506 LINA KIKUTA, for a term to expire 6-30-2014; and

G.M. No. 507 KATHLEEN KANG-KAULUPALI, for a term to expire 6-30-2013,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Lina Kikuta and Kathleen Kang-Kaulupali 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 Lina Kikuta from the Department of Commerce and Consumer Affairs and four individuals.

Upon review of the testimony, your Committee finds that the nominee currently serves as an interim appointee on the State Board of Chiropractic Examiners and is familiarizing herself with the role of the Board and her role as a Board member. Your Committee notes that the nominee provides the Board with valuable perspectives as a lay consumer member, understands the function and responsibilities of the State Board of Chiropractic Examiners, and expresses a strong commitment to public service.

Your Committee received testimony in support of the nomination of Kathleen Kang-Kaulupali from the Department of Commerce and Consumer Affairs, Papa Ola Lokahi, and four individuals.

Your Committee finds that the nominee currently serves as an interim appointee on the State Board of Chiropractic Examiners. Your Committee notes that the nominee's experience with national and state boards and extensive professional health care background will enhance the effectiveness of the Board. Your Committee further finds that the nominee understands the function and responsibilities of the State Board of Chiropractic Examiners and expresses a desire to be an advocate for consumer protection and safety.

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. 3090 Commerce and Consumer Protection on S.R. No. 52

The purpose and intent of this measure is to request the Insurance Commissioner to review the accumulation of capital reserves and surplus of managed care plans when reviewing rate filings.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and one individual.

Your Committee finds that managed care plans in Hawaii need monetary reserves to cover unanticipated claims and unforeseen business fluctuations, but the accrual of excessive amounts of reserves may result in managed care plan subscribers paying a higher premium rate than is justified. Your Committee further finds that an effective rate review system under the Patient Protection and Affordable Care Act requires consideration of capital reserves and surplus of managed care plans. This measure requests the Insurance Commissioner to consider the accumulation of capital reserves and surplus of managed care plans when reviewing rate filings and to submit a report and proposed legislation to enable the Insurance Commissioner to make these considerations when reviewing rate filings.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 52 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

SCRep. 3091 Commerce and Consumer Protection on S.C.R. No. 108

The purpose and intent of this measure is to request the Insurance Commissioner to review the accumulation of capital reserves and surplus of managed care plans when reviewing rate filings.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and one individual.

Your Committee finds that managed care plans in Hawaii need monetary reserves to cover unanticipated claims and unforeseen business fluctuations, but the accrual of excessive amounts of reserves may result in managed care plan subscribers paying a higher premium rate than is justified. Your Committee further finds that an effective rate review system under the Patient Protection and Affordable Care Act requires consideration of capital reserves and surplus of managed care plans. This measure requests the Insurance Commissioner to consider the accumulation of capital reserves and surplus of managed care plans when reviewing rate filings and to submit a report and proposed legislation to enable the Insurance Commissioner to make these considerations when reviewing rate filings.

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. 108 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

SCRep. 3092 Commerce and Consumer Protection on S.C.R. No. 39

The purpose and intent of this measure is to direct the Attorney General to investigate cases where fraudulent transfers and assignments of mortgage loan documents are alleged and to take action so that any financial settlement reached with mortgage servicers appropriately compensates and reflects the extent of the negative impact on all victims of the fraud.

Your Committee received testimony in support of this measure from eight individuals. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that federal agencies, including the United States Department of Justice and the United States Department of Housing and Urban Development, and the fifty state attorneys general have been actively and jointly investigating wrongful conduct by lenders and servicers. Your Committee further finds that this joint multistate investigation has recently resulted in a settlement with the United States Department of Justice, the United States Department of Housing and Urban Development, forty-nine state attorneys general, the District of Columbia, and the nation's five largest lenders and servicers. The mortgage servicing settlement addresses certain mortgage loan servicing and foreclosure abuses, and is the largest federal-state civil settlement ever obtained.

According to testimony received from the Attorney General, the settlement provides certain limited releases to the settling servicers, which could conflict with some of the investigative and enforcement actions contemplated by this measure. However, your Committee notes that the settlement does not release individual consumer's claims or defenses, claims against any third party vendors, or any criminal liability. The settlement also requires mortgage servicers to provide documentation of the note, holder status, and chain of assignment in the mortgage process. Five separate consent judgments have also been filed. These judgments are fully enforceable in federal court and servicers face significant monetary penalties for failure to comply with the settlement terms.

Your Committee also notes that due to the interest in this agreement, the United States Department of Justice has released documents pertaining to the mortgage servicing settlement. The documents are accessible on the United States Department of Justice's website, available at http://www.justice.gov/opa/opa_mortgage-service.htm.

Your Committee concludes that in light of the recent mortgage servicing settlement, certain amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Adding language that more accurately reflects the results of the joint multistate investigation and recent mortgage servicing settlement;
- (2) Adding language that is more appropriate for this type of measure, by requesting the Attorney General to continue collaborating with appropriate state and federal agencies, investigate instances of wrongful and unlawful conduct by lenders and servicers, and take appropriate action, rather than directing the Attorney General to take certain actions;
- (3) Amending the title and other findings for accuracy; 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 concurs with the intent and purpose of S.C.R. No. 39, 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. 39, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Galuteria, Slom).

SCRep. 3093 Commerce and Consumer Protection on H.B. No. 1746

The purpose and intent of this measure is to allow condominium boards of directors to authorize the installation of separate utility meters for each unit; provided that the association pays the cost of installing the meters.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Wailana at Waikiki Board of Directors, Harbor Square Association of Apartment Owners, Anderson Lahne & Fujisaki LLP, and four individuals.

Your Committee finds that many older condominium projects in Hawaii were constructed in such a way that a single meter measures the consumption of utilities for the entire condominium. Utility costs in these condominium projects are not measured by actual usage of owners or occupants, but are paid for as a common expense. Your Committee further finds that allowing the board of directors of a condominium to require separate metering in each unit will make individual residents financially responsible for their own energy usage, likely resulting in energy conservation.

Your Committee has heard the concerns that the permissive language contained in this measure may be disregarded by associations and their boards. Your Committee has also heard the concerns that mandating separate utility metering may not be appropriate, due to cost variances associated with retrofitting different condominium buildings. Permissive language that allows a condominium board to authorize the installation of separate utility meters for each unit is more appropriate at this time, as it gives a board the ability to make decisions based on the individual needs of each building. However, your Committee notes that the issue of separate utility metering in condominium projects may need to be revisited later, once condominium boards have had an opportunity to determine what is best for their respective association.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1746, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Slom, Solomon).

SCRep. 3094 (Joint) Health and Agriculture on S.C.R. No. 48

The purpose and intent of this measure is to request the Department of Health to convene a task force to expand a school garden program statewide.

Your Committees received testimony in support of this measure from the Department of Health, Department of Education, Hawaii Association of Independent Schools, and two representatives of the Hawaii Dietetic Association.

Your Committees find that twenty-eight percent of Hawaii's school-aged children are either overweight or obese. Many children have very limited exposure to the wide range of locally produced healthy food and do not know where the food provided comes from or how it was prepared or produced. Furthermore, the ubiquitous marketing and availability of junk food has helped to make salty, sweet, and fatty processed food preeminent among children. Your Committees also find that farm-to-school programs, including planting and tending school gardens, have supplied high-quality food and provided students with knowledge that will help to cultivate long-term healthy eating habits, sustainable practices, and better overall health.

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 Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 48, as amended herein, and recommend that it be referred to the Committee on Education, in the form attached hereto as S.C.R. No. 48, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Chun Oakland, Dela Cruz, Tokuda, Wakai).

SCRep. 3095 (Joint) Health and Commerce and Consumer Protection on S.C.R. No. 129

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, of the social and financial impacts of mandating certain health insurance coverage for outpatient prescription drugs, as provided in S.B. No. 2106 (2012).

Your Committees received testimony in support of this measure from Kaiser Permanente Hawaii and one individual.

Your Committees find that outpatient medical therapy is critical to quality care, but that health insurance policies do not currently require insurers to cover outpatient prescription drugs nor impose coverage requirements on insurers that do provide prescription drug coverage. Your Committees also find that all residents of Hawaii should have access to health care in all its facets, including affordable access to prescription drugs.

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. 129 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Solomon, Wakai).

SCRep. 3096 Agriculture on S.R. No. 70

The purpose and intent of this measure is to convene an agricultural policy task force to review agricultural policies from other states to assist with the development of Hawaii's agricultural industry.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation and Hawaii Cattlemen's Council. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that the task force established by this measure will be beneficial to Hawaii's agricultural industry by helping to craft a comprehensive agricultural plan for the State based on good agricultural practices.

Your Committee has amended this measure by making technical, nonsubstantive amendments, including amendments to the title, 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 concurs with the intent and purpose of S.R. No. 70, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 70, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Slom, Tokuda).

SCRep. 3097 Agriculture on S.C.R. No. 133

The purpose and intent of this measure is to convene an agricultural policy task force to review agricultural policies from other states to assist with the development of Hawaii's agricultural industry.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation and Hawaii Cattlemen's Council. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that the task force established by this measure will be beneficial to Hawaii's agricultural industry by helping to craft a comprehensive agricultural plan for the State based on good agricultural practices.

Your Committee has amended this measure by making technical, nonsubstantive amendments, including amendments to the title, 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 concurs with the intent and purpose of S.C.R. No. 133, 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. 133, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Slom, Tokuda).

SCRep. 3098 Public Safety, Government Operations, and Military Affairs on S.R. No. 100

The purpose and intent of this measure is to request the Department of Public Safety to enter into a public-private partnership agreement for the planning, design, construction, turnkey, and financing of a new Maui Regional Public Safety Complex at Puunene, Maui.

Your Committee received testimony in support of this measure from the Department of Public Safety and Department of Hawaiian Home Lands. Testimony in opposition to this measure was received from Community Alliance on Prisons – Maui Chapter. Comments were received from the Department of Land and Natural Resources, Community Alliance on Prisons, and Drug Policy Forum of Hawaii.

Your Committee finds that returning incarcerated persons from the mainland is in the best interest of the State, as it serves the economic and social interests of Hawaii's citizens. The Department of Public Safety currently operates the Maui Community Correctional Center situated on approximately seven acres of land in Wailuku, Maui. The Maui Community Correctional Center's operations are in need of modernization and expansion to meet Maui's current correctional needs.

The Department of Public Safety is collaborating with the Department of Land and Natural Resources, Department of Hawaiian Home Lands, and County of Maui in the proposed development of a new Maui Regional Public Safety Complex at Puunene, Maui. This relocation to Puunene, Maui, would enable the Department of Public Safety to expand the present capacities of the Maui Community Correctional Center and replace the Center for the care and custody of certain correctional populations.

Your Committee has amended this measure by:

- (1) Adding a paragraph requesting that the Department of Public Safety place a strong emphasis on re-entry, transition, and support for family programs at the new Maui Regional Public Safety Complex in Puunene; and
- (2) Amending the title to read: "REQUESTING THE DEPARTMENT OF PUBLIC SAFETY TO ENTER INTO A PUBLIC-PRIVATE PARTNERSHIP AGREEMENT FOR THE PLANNING, DESIGN, CONSTRUCTION, TURNKEY, AND FINANCING OF A NEW MAUI REGIONAL PUBLIC SAFETY COMPLEX AT PUUNENE, MAUI, WITH A STRONG EMPHASIS ON RE-ENTRY, TRANSITION, AND SUPPORT FOR FAMILY PROGRAMS."

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, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 100, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3099 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 170

The purpose and intent of this measure is to request the Department of Public Safety to enter into a public-private partnership agreement for the planning, design, construction, turnkey, and financing of a new Maui Regional Public Safety Complex at Puunene, Maui.

Your Committee received testimony in support of this measure from the Department of Public Safety and Department of Hawaiian Home Lands. Testimony in opposition to this measure was received from Community Alliance on Prisons – Maui Chapter. Comments were received from the Department of Land and Natural Resources, Community Alliance on Prisons, and Drug Policy Forum of Hawaii.

Your Committee finds that returning incarcerated persons from the mainland is in the best interest of the State, as it serves the economic and social interests of Hawaii's citizens. The Department of Public Safety currently operates the Maui Community Correctional Center situated on approximately seven acres of land in Wailuku, Maui. The Maui Community Correctional Center's operations are in need of modernization and expansion to meet Maui's current correctional needs.

The Department of Public Safety is collaborating with the Department of Land and Natural Resources, Department of Hawaiian Home Lands, and County of Maui in the proposed development of a new Maui Regional Public Safety Complex at Puunene, Maui. This relocation to Puunene, Maui, would enable the Department of Public Safety to expand the present capacities of the Maui Community Correctional Center and replace the Center for the care and custody of certain correctional populations.

Your Committee has amended this measure by:

- (1) Adding a paragraph requesting that the Department of Public Safety place a strong emphasis on re-entry, transition, and support for family programs at the new Maui Regional Public Safety Complex in Puunene; and
- (2) Amending the title to read: "REQUESTING THE DEPARTMENT OF PUBLIC SAFETY TO ENTER INTO A PUBLIC-PRIVATE PARTNERSHIP AGREEMENT FOR THE PLANNING, DESIGN, CONSTRUCTION, TURNKEY, AND FINANCING OF A NEW MAUI REGIONAL PUBLIC SAFETY COMPLEX AT PUUNENE, MAUI, WITH A STRONG EMPHASIS ON RE-ENTRY, TRANSITION, AND SUPPORT FOR FAMILY PROGRAMS."

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. 170, 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. 170, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 3100 Public Safety, Government Operations, and Military Affairs on S.R. No. 75

The purpose and intent of this measure is to encourage the military strategy of forward-basing a military force in Hawaii, and to urge the Military Affairs Council of The Chamber of Commerce of Hawaii to continue with its work as the liaison for Hawaii in matters relating to the military's presence in Hawaii.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii and the Retired Officers Association of America, Hawaii Chapter.

Your Committee finds that the United States and its allies are partners who share common economic and security concerns regarding threats to security within the Pacific region, which could result in the disruption of the free flow of commerce and trade that is vital to the economies of Asia Pacific nations and the United States, specifically Hawaii. The United States military strategy of forward-basing its military forces in Hawaii, Alaska, Japan, South Korea, and Guam provides a visible presence that has successfully deterred adversaries from taking aggressive military actions that would cause political and economic instability. Your Committee supports the continuation of this successful strategy.

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. 75 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. 3101 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 139

The purpose and intent of this measure is to encourage the military strategy of forward-basing a military force in Hawaii, and to urge the Military Affairs Council of The Chamber of Commerce of Hawaii to continue with its work as the liaison for Hawaii in matters relating to the military's presence in Hawaii.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii and the Retired Officers Association of America, Hawaii Chapter.

Your Committee finds that the United States and its allies are partners who share common economic and security concerns regarding threats to security within the Pacific region, which could result in the disruption of the free flow of commerce and trade that is vital to the economies of Asia Pacific nations and the United States, specifically Hawaii. The United States military strategy of forward-basing its military forces in Hawaii, Alaska, Japan, South Korea, and Guam provides a visible presence that has successfully deterred adversaries from taking aggressive military actions that would cause political and economic instability. Your Committee supports the continuation of this successful strategy.

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. 139 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. 3102 (Joint) Agriculture and Water, Land, and Housing on S.C.R. No. 171

The purpose and intent of this measure is to request the Agribusiness Development Corporation to acquire land for improvements to its infrastructure that are necessary for the Agribusiness Development Corporation to achieve its mission.

Your Committees received testimony in support of this measure from the Agribusiness Development Corporation and Hawaii Farm Bureau Federation.

Your Committees find that the Agribusiness Development Corporation lacks the necessary infrastructure to fulfill its core mission, including assisting farmers and ranchers by providing adequate storage facilities for their goods. This measure requests the Agribusiness Development Corporation to explore the feasibility of acquiring certain land in Wahiawa and using that land to enhance the economic viability of the agricultural community.

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.C.R. No. 171, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 171, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Solomon, Tokuda, Slom).

SCRep. 3103 (Joint) Agriculture and Water, Land, and Housing on S.R. No. 101

The purpose and intent of this measure is to request the Agribusiness Development Corporation to acquire land for improvements to its infrastructure that are necessary for the Agribusiness Development Corporation to achieve its mission.

Your Committees received testimony in support of this measure from the Agribusiness Development Corporation and Hawaii Farm Bureau Federation.

Your Committees find that the Agribusiness Development Corporation lacks the necessary infrastructure to fulfill its core mission, including assisting farmers and ranchers by providing adequate storage facilities for their goods. This measure requests the Agribusiness Development Corporation to explore the feasibility of acquiring certain land in Wahiawa and using that land to enhance the economic viability of the agricultural community.

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. 101, 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. 101, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Solomon, Tokuda, Slom).

SCRep. 3104 Human Services on S.C.R. No. 43

The purpose and intent of this measure is to avoid the closure of schools and meet community needs by encouraging the Board of Education and Department of Education to allow public school campuses that have smaller student enrollments to be used for aging and disability resource centers, senior centers, and other kupuna-related programs.

Your Committee received testimony in support of this measure from the Executive Office on Aging of the Department of Health. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that with the aging of the baby boomer generation (those born between 1946 and 1964), Hawaii will experience a change in its demographics and the needs of its people. Allowing portions of public school facilities to be used for community service programs, such as kupuna-related programs, will assist in alleviating some of the projected demand for kupuna-related services, while preventing public school facilities from being underutilized or even closed.

Your Committee also finds that according to the Department of Education's testimony, fees for facilities that nonprofit service providers and government agencies pay to the Department reimburse the Department for only the out-of-pocket expenses that the Department would not have otherwise incurred if there had been no outside use of the facilities. Therefore, bringing nonprofit service providers or other government agencies onto an under-enrolled campus does not bring additional revenues to the Department and would not offset the high cost of small schools.

Your Committee has therefore amended this measure by:

- (1) Deleting language that describes low student enrollment and elderly-specific needs;
- (2) Adding language that describes section 302A-1151.5, Hawaii Revised Statutes, which requires the Department of Education to give reasonable consideration to making public school facilities available to charter schools when the Department considers closing any particular public school;
- (3) Amending language to describe possible uses of public school facilities being considered for closure and vacant public school facilities;

- (4) Amending the purpose of this measure to encourage the Board of Education and Department of Education to consider utilizing public school facilities facing closure and reutilizing vacant public school facilities to support the broader needs of the community, including but not limited to kupuna-related programs and services, thereby avoiding underutilization and possible closure of public school facilities;
- (5) Amending the title accordingly;
- (6) Requesting the Board of Education and Department of Education to consult with the neighborhood boards and other community organizations, rather than the Executive Office on Aging, to identify opportunities to use public school facilities for services or programs that benefit the community; 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. 43, as amended herein, and recommends that it be referred to the Committee on Education, in the form attached hereto as S.C.R. No. 43, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 3105 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 167

The purpose and intent of this measure is to request the Department of Human Resources Development to convene a task force to examine management policies regarding the use of overtime by state and county employees.

Your Committee received testimony in support of this measure from the Department of Public Safety, Department of Human Resources Development, Mayor of the City and County of Honolulu, Honolulu Fire Department, Maui County Department of Fire and Safety, and County of Hawaii Fire Department.

Your Committee finds that the amount that public employees and their employers are required to contribute to the Employees' Retirement System each year is determined in part by base salaries, while the actual pension payments are based on the three years with the highest overall compensation, which includes overtime, differentials, and other supplemental pay. A small number of excessive overtime cases can drive up the costs of the Employees' Retirement System significantly.

Your Committee has amended this measure by adding a representative from the Honolulu Police Department and a representative of the Honolulu Fire Department to the task force because of the peculiar twenty-four hour nature of their work and the ongoing personnel shortages they experience.

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 that it be referred to the Committee on Ways and Means, 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. 3106 Public Safety, Government Operations, and Military Affairs on S.R. No. 97

The purpose and intent of this measure is to request the Department of Human Resources Development to convene a task force to examine management policies regarding the use of overtime by state and county employees.

Your Committee received testimony in support of this measure from the Department of Public Safety, Department of Human Resources Development, Mayor of the City and County of Honolulu, Honolulu Fire Department, Maui County Department of Fire and Safety, and County of Hawaii Fire Department.

Your Committee finds that the amount that public employees and their employers are required to contribute to the Employees' Retirement System each year is determined in part by base salaries, while the actual pension payments are based on the three years with the highest overall compensation, which includes overtime, differentials, and other supplemental pay. A small number of excessive overtime cases can drive up the costs of the Employees' Retirement System significantly.

Your Committee has amended this measure by adding a representative from the Honolulu Police Department and a representative of the Honolulu Fire Department to the task force because of the peculiar twenty-four hour nature of their work and the ongoing personnel shortages they experience.

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. 97, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 97, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 3107 Economic Development and Technology on S.C.R. No. 57

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism to establish a working group to develop recommendations and report to the 2013 Legislature regarding the administrative placement of the State Foundation on Culture and the Arts to build upon the current mission of the State Foundation on Culture and the Arts and incorporate Department of Business, Economic Development, and Tourism expertise and support for:

- (1) Leveraging public-private financing;

- (2) Developing a strategic plan to expand Hawaii's community arts organizations; and
- (3) Developing a sustainable funding model to support increased investment in cultural, heritage, and arts programming throughout the State.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Your Committee received comments on this measure from the Department of Accounting and General Services; Department of Business, Economic Development, and Tourism; and State Foundation on Culture and the Arts.

Your Committee finds that given its importance to Hawaii residents and tourists alike, the State Foundation on Culture and the Arts will benefit from a balanced and unbiased scrutiny of its infrastructure and organizational integrity. Your Committee has considered recommendations regarding the most appropriate agency to convene the working group, and additional issues to be considered.

Your Committee has amended this measure accordingly, by:

- (1) Amending the title to read: "REQUESTING THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO ESTABLISH A WORKING GROUP TO DEVELOP RECOMMENDATIONS REGARDING THE ADMINISTRATIVE PLACEMENT OF THE STATE FOUNDATION ON CULTURE AND THE ARTS";
- (2) Deleting references of a transfer of the State Foundation on Culture and the Arts to the Department of Business, Economic Development, and Tourism;
- (3) Requesting the Department of Accounting and General Services to convene the working group, rather than the Department of Business, Economic Development, and Tourism;
- (4) Requesting the working group to recommend changes to the State Foundation on Culture and the Arts programs and infrastructure, including broadening the scope of the agency and renaming it, to further the effective implementation of the stated objectives;
- (5) Requesting the working group to collaborate with interested stakeholders from cultural, heritage, and arts agencies, including the Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; Hawaii Tourism Authority; Office of Hawaiian Affairs; and Bishop Museum;
- (6) Adding the Board of Land and Natural Resources; Office of Hawaiian Affairs; Hawaii Tourism Authority; and Bishop Museum to those agencies receiving a certified copy of this measure; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 57, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 57, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 3108 (Joint) Health and Judiciary and Labor on S.C.R. No. 94

The purpose and intent of this measure is to request the Department of Health and the Department of Labor and Industrial Relations to conduct a study to promote workplace wellness programs.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, Office of Hawaiian Affairs, HGEA, and American Heart Association.

Your Committees find that sixty percent of Americans receive health insurance through an employment-based plan and that the workplace has become a critical venue for investments in health. Employers that have adopted wellness programs see a substantial return on investments within a few years, with medical costs reduced by approximately \$3.27 for every dollar spent on wellness programs and absentee costs reduced by \$2.73 for every dollar invested. Your Committees further find that there are mutual benefits to instituting an effective workplace wellness program, as the long-term health and productivity of employees improve and health care and absenteeism costs decrease; furthermore, a wellness program adds a recruitment and retention incentive for top employees and improves the corporate image.

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 concur with the intent and purpose of S.C.R. No. 94 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Ihara, Wakai).

SCRep. 3109 (Joint) Human Services and Public Safety, Government Operations, and Military Affairs on S.C.R. No. 102

The purpose and intent of this measure is to request the Attorney General to establish a task force to determine the feasibility of the counties adopting rules to govern clean and sober housing that comply with federal and state laws.

Your Committees received testimony in support of this measure from one individual.

Your Committees find that clean and sober housing offers the help and support individuals need to make positive life choices to solidify long-term recovery from drug and alcohol abuse. Your Committees also find that despite support for clean and sober houses, a few poorly managed clean and sober houses create negative public relations with neighborhoods and communities for other clean and sober houses. This measure requests the Attorney General to establish a task force made up of various representatives from the

relevant executive agencies, social services community, and stakeholders to determine the feasibility of adopting rules that govern clean and sober housing that comply with federal and state laws.

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 concur with the intent and purpose of S.C.R. No. 102 and recommend that it be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 7, Ayes with Reservations (Baker). Noes, none. Excused, 1 (Slom).

SCRep. 3110 (Joint) Human Services and Commerce and Consumer Protection on S.C.R. No. 44

The purpose and intent of this measure is to request the Insurance Commissioner to convene a Long-term Care Financing Task Force to coordinate research and recommendations on the use of accelerated death benefits and viatical settlements to fund long-term care services and supports.

Your Committees received testimony in support of this measure from the Insurance Commissioner. Your Committees received testimony in opposition to this measure from the American Council of Life Insurers. Your Committees received comments on this measure from the National Association of Insurance and Financial Advisors Hawaii.

Your Committees find that as the cost of long-term care services increases, individuals without long-term care insurance seek other sources of funding for long-term care needs. Some have considered accelerated death benefits and viatical settlements as possible funding sources for long-term care services. Your Committees also find that existing provisions in the Hawaii Insurance Code and Hawaii Administrative Rules may impede the use of accelerated death benefits for long-term care, and viatical settlements are currently unregulated in Hawaii and could put policyholders at risk of being victimized by unscrupulous business practices.

Your Committees therefore have determined that this measure may be premature and find that more information must be gathered on viatical settlements and accelerated benefits in Hawaii to determine whether they may serve as feasible and safe funding sources for long-term care needs.

Accordingly, your Committees have amended this measure by deleting its contents and inserting language that:

- (1) Requests the Insurance Commissioner to conduct a fact-finding and feasibility study on the viability of using accelerated death benefits and viatical settlements as a source of funding for long-term care needs;
- (2) Requests the American Council of Life Insurers, the National Association of Insurance and Financial Advisors Hawaii, and life settlements brokers selling life settlement policies in Hawaii to assist the Insurance Commissioner in conducting necessary studies and completing the report;
- (3) Requests the Insurance Commissioner to submit a report to the Legislature of its findings and recommendations, with the assistance of the Legislative Reference Bureau, no later than twenty days prior to the convening of the Regular Session of 2013; and
- (4) Amends the title accordingly.

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. 44, 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. 44, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 2 (Galuteria, Solomon).

SCRep. 3111 Water, Land, and Housing on S.C.R. No. 85

The purpose and intent of this measure is to urge the adoption of laws to require written permission from the landowner in order to hunt on private lands and define places of formal hunting.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation, Hawaii Cattlemen's Council, Inc., Haleakala Ranch Company, Maui Cattlemen's Association, Mikilua Farm Bureau Center, Palani Ranch, and four individuals. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs. The Department of Land and Natural Resources submitted comments.

Your Committee finds that existing laws do not sufficiently discourage unlawful hunting situations on private lands, as they are confusing and not easily enforced. Incidents of livestock slaughtering, theft, vandalism, crop destruction, and poaching have become common on farms and ranches on all islands.

However, your Committee also finds that a more effective change than the recommendation under this measure to define places of formal hunting is to amend the criminal trespass statutes to make trespass an easier offense to enforce.

Accordingly, your Committee has amended this measure by:

- (1) Deleting references to the establishment of a definition for places of formal hunting;
- (2) Urging the adoption of laws to amend criminal trespassing laws to address hunting situations; and
- (3) Changing the title to reflect the amended language.

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. 85, 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. 85, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Solomon, Tokuda, Slom).

SCRep. 3112 Water, Land, and Housing on S.R. No. 39

The purpose and intent of this measure is to urge the adoption of laws to require written permission from the landowner in order to hunt on private lands and define places of formal hunting.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation, Hawaii Cattlemen's Council, Inc., Haleakala Ranch Company, Maui Cattlemen's Association, Mikilua Farm Bureau Center, Palani Ranch, and four individuals. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs. The Department of Land and Natural Resources submitted comments.

Your Committee finds that existing laws do not sufficiently discourage unlawful hunting situations on private lands, as they are confusing and not easily enforced. Incidents of livestock slaughtering, theft, vandalism, crop destruction, and poaching have become common on farms and ranches on all islands.

However, your Committee also finds that a more effective change than the recommendation under this measure to define places of formal hunting is to amend the criminal trespass statutes to make trespass an easier offense to enforce.

Accordingly, your Committee has amended this measure by:

- (1) Deleting references to the establishment of a definition for places of formal hunting;
- (2) Urging the adoption of laws to amend criminal trespassing laws to address hunting situations; and
- (3) Changing the title to reflect the amended language.

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. 39, 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. 39, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Solomon, Tokuda, Slom).

SCRep. 3113 Water, Land, and Housing on S.C.R. No. 117

The purpose and intent of this measure is to urge the State to expand the scope of the comprehensive information system established pursuant to Act 54, Session Laws of Hawaii 2011, to inventory and maintain information about public trust lands to further include public facilities, thereby creating a comprehensive asset management system for public lands and facilities.

Prior to the hearing, your Committee circulated a proposed S.D. 1 of the measure which added language to request the Department of Land and Natural Resources to utilize the resources of the Department of Accounting and General Services to coordinate and develop the comprehensive asset management system and make conforming amendments.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Land and Natural Resources.

Your Committee finds that a comprehensive asset management system for state buildings and structures is useful for all agencies as a means to appropriately manage and maintain state buildings. Expanding the scope of the comprehensive information system established pursuant to Act 54, Session Laws of Hawaii 2011, would centralize information regarding all public lands and facilities to enable the full and optimal use of the State's lands and facilities.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Deleting references to the counties; 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. 117, 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. 117, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Solomon, Tokuda, Slom).

SCRep. 3114 Water, Land, and Housing on S.R. No. 58

The purpose and intent of this measure is to urge the State to expand the scope of the comprehensive information system established pursuant to Act 54, Session Laws of Hawaii 2011, to inventory and maintain information about public trust lands to further include public facilities, thereby creating a comprehensive asset management system for public lands and facilities.

Prior to the hearing, your Committee circulated a proposed S.D. 1 of the measure which added language to request the Department of Land and Natural Resources to utilize the resources of the Department of Accounting and General Services to coordinate and develop the comprehensive asset management system and make conforming amendments.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Land and Natural Resources.

Your Committee finds that a comprehensive asset management system for state buildings and structures is useful for all agencies as a means to appropriately manage and maintain state buildings. Expanding the scope of the comprehensive information system

established pursuant to Act 54, Session Laws of Hawaii 2011, would centralize information regarding all public lands and facilities to enable the full and optimal use of the State's lands and facilities.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Deleting references to the counties; 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.R. No. 58, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 58, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Solomon, Tokuda, Slom).

SCRep. 3115 Water, Land, and Housing on S.C.R. No. 172

The purpose and intent of this measure is to request the Office of Planning to hire consultants to review all state and county land use practices and develop recommendations to reduce urban sprawl and properly develop urban areas.

Prior to the hearing, your Committee circulated a proposed S.D. 1 of the measure which, among other things:

- (1) Deleted the request for the Office of Planning to hire consultants; and
- (2) Added language to convene a task force to review all state and county land use practices and develop recommendations to reduce urban sprawl and properly develop urban areas.

Your Committee received testimony in support of the proposed S.D. 1 from the Office of Planning and one individual. Testimony in opposition to the proposed S.D. 1 was received from the City and County of Honolulu Department of Planning and Permitting.

Your Committee finds that existing land use practices are not sufficient to meet the current needs to reduce urban sprawl, save prime agricultural land, encourage economic growth, or deliver affordable housing. As part of Hawaii's solution to its current economic crisis, it is necessary to take a comprehensive look at the state and county practices regarding land use. This measure will assist the State and counties to properly prepare for the future and establish safeguards to help prevent another economic crisis.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Incorporating language from S.C.R. No. 174, which urges the counties to revise laws to reflect strategic land use practices for main street redevelopment in existing towns that support public transportation to accommodate the growing population;
- (2) Amending the title to read: "REQUESTING THE OFFICE OF PLANNING TO CONVENE A TASK FORCE TO REVIEW ALL STATE AND COUNTY LAND USE PRACTICES AND DEVELOP RECOMMENDATIONS TO REDUCE URBAN SPRAWL, PROPERLY DEVELOP URBAN AREAS, AND REVISE COUNTY LAWS TO REFLECT STRATEGIC LAND USE PRACTICES FOR MAIN STREET REDEVELOPMENT THAT SUPPORT PUBLIC TRANSPORTATION"; 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 concurs with the intent and purpose of S.C.R. No. 172, 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. 172, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Solomon, Tokuda, Slom).

SCRep. 3116 Water, Land, and Housing on S.R. No. 102

The purpose and intent of this measure is to request the Office of Planning to hire consultants to review all state and county land use practices and develop recommendations to reduce urban sprawl and properly develop urban areas.

Prior to the hearing, your Committee circulated a proposed S.D. 1 of the measure which, among other things:

- (1) Deleted the request for the Office of Planning to hire consultants; and
- (2) Added language to convene a task force to review all state and county land use practices and develop recommendations to reduce urban sprawl and properly develop urban areas.

Your Committee received testimony in support of the proposed S.D. 1 from the Office of Planning and one individual. Testimony in opposition to the proposed S.D. 1 was received from the City and County of Honolulu Department of Planning and Permitting.

Your Committee finds that existing land use practices are not sufficient to meet the current needs to reduce urban sprawl, save prime agricultural land, encourage economic growth, or deliver affordable housing. As part of Hawaii's solution to its current economic crisis, it is necessary to take a comprehensive look at the state and county practices regarding land use. This measure will assist the State and counties to properly prepare for the future and establish safeguards to help prevent another economic crisis.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Incorporating language from S.R. No. 104, which urges the counties to revise laws to reflect strategic land use practices for main street redevelopment in existing towns that support public transportation to accommodate the growing population;

- (2) Amending the title to read: "REQUESTING THE OFFICE OF PLANNING TO CONVENE A TASK FORCE TO REVIEW ALL STATE AND COUNTY LAND USE PRACTICES AND DEVELOP RECOMMENDATIONS TO REDUCE URBAN SPRAWL, PROPERLY DEVELOP URBAN AREAS, AND REVISE COUNTY LAWS TO REFLECT STRATEGIC LAND USE PRACTICES FOR MAIN STREET REDEVELOPMENT THAT SUPPORT PUBLIC TRANSPORTATION"; 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 concurs with the intent and purpose of S.R. No. 102, 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. 102, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Solomon, Tokuda, Slom).

SCRep. 3117 (Joint) Water, Land, and Housing and Hawaiian Affairs on S.C.R. No. 66

The purpose and intent of this measure is to urge the Department of Land and Natural Resources to transfer a portion of the revenue derived from the conveyance or transfer of any land of the public land trust to the Office of Hawaiian Affairs.

Your Committees received testimony in support of this measure from the Association of Hawaiian Civic Clubs and one individual. Testimony in opposition to this measure was received from the Department of Land and Natural Resources. The Office of Hawaiian Affairs submitted comments.

Your Committees find that Native Hawaiian claims to ceded lands remain unresolved and steps should be taken to facilitate their resolution. Existing statutory language regarding determinations of the amounts to be distributed to the Office of Hawaiian Affairs are too ambiguous, which leaves the language open to different and conflicting interpretations. This measure expedites revenue disbursement by determining a clear and appropriate interpretation for a one-time disbursement amount to be derived at the time of conveyance.

Your Committees have amended this measure by:

- (1) Requesting the Attorney General to provide input and assist the Department of Land and Natural Resources and Office of Hawaiian Affairs in determining the fair market value of the ceded lands at the time of conveyance; 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 concur with the intent and purpose of S.C.R. No. 66, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 66, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Hee, Kahele, Tokuda).

SCRep. 3118 (Joint) Water, Land, and Housing and Hawaiian Affairs on S.R. No. 27

The purpose and intent of this measure is to urge the Department of Land and Natural Resources to transfer a portion of the revenue derived from the conveyance or transfer of any land of the public land trust to the Office of Hawaiian Affairs.

Your Committees received testimony in support of this measure from the Association of Hawaiian Civic Clubs and one individual. Testimony in opposition to this measure was received from the Department of Land and Natural Resources. The Office of Hawaiian Affairs submitted comments.

Your Committees find that Native Hawaiian claims to ceded lands remain unresolved and steps should be taken to facilitate their resolution. Existing statutory language regarding determinations of the amounts to be distributed to the Office of Hawaiian Affairs are too ambiguous, which leaves the language open to different and conflicting interpretations. This measure expedites revenue disbursement by determining a clear and appropriate interpretation for a one-time disbursement amount to be derived at the time of conveyance.

Your Committees have amended this measure by:

- (1) Requesting the Attorney General to provide input and assist the Department of Land and Natural Resources and Office of Hawaiian Affairs in determining the fair market value of the ceded lands at the time of conveyance; 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 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, 5 (English, Fukunaga, Hee, Kahele, Tokuda).

SCRep. 3119 (Joint) Water, Land, and Housing and Energy and Environment on S.C.R. No. 61

The purpose and intent of this measure is to encourage the consideration of certain factors that will facilitate installation of photovoltaic systems when constructing and developing single-family residences.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Hawaii Solar Energy Alliance.

Your Committees recognize the importance of encouraging builders of single-family residences in Hawaii to adopt, whenever practical, design features that would help facilitate the installation of photovoltaic systems on the rooftops of new homes. As the cost of photovoltaic systems decreases, the installation of residential photovoltaic systems may become cost effective and offer new home buyers a practical way of tapping into a clean energy source, thereby reducing the State's reliance on imported oil.

Your Committees have amended this measure by:

- (1) Encouraging counties, not just builders of single-family residences, to make the considerations requested by this measure, and amending the title accordingly;
- (2) Amending language to encourage the consideration that a structure's electrical panel contains adequate space to house more than one photovoltaic system inverter output circuit; 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 Energy and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 61, as amended herein, and recommend 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. 61, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Slom, Tokuda).

SCRep. 3120 (Joint) Economic Development and Technology and Education on S.C.R. No. 36

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism, with the cooperation of the University of Hawaii, Kapiolani Community College, and Hawaii Tourism Authority, to develop and submit to the Legislature a plan for the expansion of the Hawaii Film Studio Diamond Head campus to accommodate increased studio capacity, including:

- (1) Consideration of adjacent neighborhoods, proximity to nearby hotels, impact and potential synergies with the Kapiolani Community College campus and its digital media related programs, and the projected impact of increased production activity on the surrounding neighborhoods;
- (2) Alternatives for expansion of film production facilities given the potential impact in the existing location; and
- (3) Current capital improvement project request for repairs, general maintenance, and basic improvements at the Hawaii Film Studio.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and University of Hawaii System. Your Committees received testimony in opposition to this measure from the East Diamond Head Association and one individual.

Your Committees find that while the Hawaii Film Studio provides an additional incentive for filming in Hawaii by offering production facilities at reasonable rates, the current size and configuration of the Hawaii Film Studio can support only one production at a time. Your Committees further find that a number of factors may limit the expansion of the current facility and any plans for the facility's future use should fully consider the limitations of the current site for feature film productions and identify other possible locations where a much larger, comprehensive facility would be more appropriate.

Your Committees have amended this measure accordingly, by:

- (1) Amending the title to read: "REQUESTING DEVELOPMENT OF A PLAN TO EXAMINE THE LONG-TERM USES OF THE HAWAII FILM STUDIO DIAMOND HEAD CAMPUS";
- (2) Amending findings regarding the State's significant investment in the facility to date, and the Department of Business, Economic Development, and Tourism's request for \$3,450,000 in capital improvements for repairs, general maintenance, and basic improvements at the Hawaii Film Studio in the State's fiscal year 2013 supplemental budget;
- (3) Amending the scope of the plan to examine the long-term uses of the Hawaii Film Studio Diamond Head campus, including:
 - (A) Transitioning the use of the facility to provide administrative support for the operations of Hawaii's film and digital media programs if increased production facility infrastructure is developed elsewhere on Oahu;
 - (B) Serving as a training and laboratory facility in conjunction with expanded film and digital media educational programs; or
 - (C) Continuing the current use as a film and television production facility; and
- (4) Requesting that the plan consider the impacts of continued production activity or proposed alternative uses on adjacent neighborhoods and solicited input from neighbors in such residential communities as Kahala, Diamond Head, Kaimuki, and Kapahulu, neighborhood boards, and Diamond Head State Monument administrators;
- (5) Requesting that the plan examine the feasibility of expanding the Hawaii Film Studio Diamond Head campus to accommodate increased production activity, taking into consideration previous studies and reports that have identified such challenges as the limited production footprint of the studio's Diamond Head campus, as well as sensitivities of the surrounding community and Diamond Head State Monument;

- (6) Adding the Waialae-Kahala Neighborhood Board No. 3, Kaimuki Neighborhood Board No. 4, Diamond Head/Kapahulu/St. Louis Heights Neighborhood Board No. 5, Administrator of the Diamond Head State Monument, and East Diamond Head Association as entities to receive certified copies of 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 Economic Development and Technology and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 36, 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. 36, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Baker, Slom, Solomon, Taniguchi).

SCRep. 3121 Water, Land, and Housing on S.C.R. No. 113

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands fronting the property identified as tax map key: (2) 4-4-001:042, at Honokawai, Lahaina on the island of Maui for the use, maintenance, repair, and removal of an existing seawall over, under, and across state-owned land.

No testimony was submitted for this measure.

Your Committee finds that a seawall was constructed in 1965 to provide coastal protection for the property identified as tax map key: (2) 4-4-001:042. It was later determined that a portion of the seawall encumbered 1,484 square feet of state land, with submerged portions. Consequently, in 2010, a final environmental assessment was issued finding no significant impact and the Board of Land and Natural Resources granted a fifty-five year term, non-exclusive easement for seawall purposes.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires prior approval by the Governor and prior authorization of the Legislature by concurrent resolution to lease state submerged lands. Accordingly, your Committee finds the passage of this measure necessary.

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. 113 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Solomon, Slom).

SCRep. 3122 (Joint) Human Services and Commerce and Consumer Protection and Economic Development and Technology on S.C.R. No. 42

The purpose and intent of this measure is to request the Auditor to conduct a study to determine ways, other than tax incentives, to encourage employers to provide and pay for long-term care insurance and individuals to purchase long-term care insurance.

Your Committees received testimony in support of this measure from the Insurance Commissioner.

Your Committees find that long-term care can easily and quickly decimate an individual's life savings. Long-term care insurance is one way individuals can create a safety net that offers financial security, protects an individual's assets, and preserves an individual's independence. However, many individuals do not have long-term care insurance plans. This measure seeks ways to encourage employers to provide and pay for long-term care insurance and individuals to purchase long-term care insurance to prepare for an individual's future.

Your Committees note that the Legislative Reference Bureau may be a more appropriate agency to conduct this study. Your Committees also find that the Bureau's study and recommendations would benefit from input from businesses on ways to encourage employers to provide and pay for long-term care insurance.

Your Committees have therefore amended this measure by:

- (1) Requesting the Legislative Reference Bureau, rather than the Auditor, to conduct the study;
- (2) Amending the title accordingly;
- (3) Adding language that requests the Legislative Reference Bureau to seek the input of businesses on employer-supported, feasible methods to encourage employers to provide and pay for long-term care insurance; 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 Commerce and Consumer Protection and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 42, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 42, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Galuteria, Solomon).

SCRep. 3123 Education on S.R. No. 61

The purpose and intent of this measure is to request the Board of Education and Department of Education to convene a working group to evaluate compliance with and the effectiveness of Act 51, Session Laws of Hawaii 2004 (Act 51), the Reinventing Education Act of 2004.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, IMUAlliance, and twelve individuals. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that the intent of Act 51 was to decentralize decision making at the Department of Education and empower complex- and school-level staff and administrators, as well as to encourage greater community involvement, and provide better professional development, enhanced technology, and other educational resources to the Department of Education. More than seven years have passed since Act 51 was enacted and this measure requests that the Board of Education and Department of Education review and evaluate compliance with Act 51 and the effectiveness of Act 51 in achieving the State's educational goals.

Your Committee has amended this measure by:

- (1) Requesting the Board of Education and Department of Education to review and evaluate Act 51, rather than requesting that they convene a working group to conduct the review and evaluation;
- (2) Adding language to request that in conducting their review and evaluation of Act 51, the Board of Education and Department of Education consult with key stakeholder groups including but not limited to parents, teachers, educational officers, the Hawaii Government Employees Association, and Hawaii State Teachers Association;
- (3) Removing the exemption of the working group from chapters 84 and 92, Hawaii Revised Statutes;
- (4) Adding language to request the Board of Education and Department of Education to additionally report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013 on the status of implementation of principal performance contracts;
- (5) Removing the legislative reporting requirement for the 2014 Regular Session;
- (6) Amending its title; 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 Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 61, 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. 61, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3124 Education on S.C.R. No. 121

The purpose and intent of this measure is to request the Board of Education and Department of Education to convene a working group to evaluate compliance with and the effectiveness of Act 51, Session Laws of Hawaii 2004 (Act 51), the Reinventing Education Act of 2004.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, IMUAlliance, and twelve individuals. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that the intent of Act 51 was to decentralize decision making at the Department of Education and empower complex- and school-level staff and administrators, as well as to encourage greater community involvement, and provide better professional development, enhanced technology, and other educational resources to the Department of Education. More than seven years have passed since Act 51 was enacted and this measure requests that the Board of Education and Department of Education review and evaluate compliance with Act 51 and the effectiveness of Act 51 in achieving the State's educational goals.

Your Committee has amended this measure by:

- (1) Requesting the Board of Education and Department of Education to review and evaluate Act 51, rather than requesting that they convene a working group to conduct the review and evaluation;
- (2) Adding language to request that in conducting their review and evaluation of Act 51, the Board of Education and Department of Education consult with key stakeholder groups including but not limited to parents, teachers, educational officers, the Hawaii Government Employees Association, and Hawaii State Teachers Association;
- (3) Removing the exemption of the working group from chapters 84 and 92, Hawaii Revised Statutes;
- (4) Adding language to request the Board of Education and Department of Education to additionally report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013 on the status of implementation of principal performance contracts;
- (5) Removing the legislative reporting requirement for the 2014 Regular Session;
- (6) Amending its title; 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 Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 121, 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. 121, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3125 Water, Land, and Housing on S.C.R. No. 155

The purpose and intent of this measure is to affirm the need to protect the Kaho'olawe Island Reserve by urging the Kaho'olawe Island Reserve Commission to require the Protect Kaho'olawe 'Ohana through Kohe Malamalama O Kanaloa to obtain liability and property damage insurance and indemnify the State from claims arising from actions of Protect Kaho'olawe 'Ohana and Kohe Malamalama O Kanaloa.

Your Committee received testimony in opposition to this measure from Kohe Malamalama O Kanaloa/Protect Kaho'olawe Fund and three individuals. Your Committee received comments on this measure from four individuals.

Your Committee finds it imperative to ensure that safeguards are in place to protect the State from potential liability. Your Committee notes that it is not the intent of this measure to duplicate existing safeguards but rather to enhance them. Further, your Committee understands the concerns of all parties involved and would like to assure those parties that this measure is not intended to prevent access to the Kaho'olawe Island Reserve.

Your Committee has amended this measure by:

- (1) Broadening the language to require each stewardship program, regardless of whether the program is a Hawaiian stewardship program, conducting activities on the Kaho'olawe Island Reserve to obtain liability and property damage insurance and list the State as an additional insured;
- (2) Changing the title to accurately reflect the purpose of the measure;
- (3) Deleting language that urges the Kaho'olawe Island Reserve Commission to require Protect Kaho'olawe 'Ohana through Kohe Malamalama O Kanaloa to indemnify the State; and
- (4) 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 Water, Land, and Housing 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, 4, Ayes with Reservations (Shimabukuro). Noes, none. Excused, 3 (Fukunaga, Solomon, Slom).

SCRep. 3126 Water, Land, and Housing on S.R. No. 59

The purpose and intent of this measure is to urge the Office of Planning to complete regional plans and studies as required by statute in a timely manner.

Your Committee received testimony in support of this measure from the Office of Planning.

The Office of Planning's projects and programs are vital to the future of the State, and your Committee finds that it is important that the office meets its deadlines in a timely manner. Your Committee finds that although the Office of Planning's budget has diminished, it has managed to successfully acquire funds from other sources such as the federal government. However, your Committee understands that certain outside sources of funding have constraints, often including matching requirements. Your Committee recognizes the Office of Planning's efforts despite the office's decreasing budget and encourages the continuation of work toward the office's important mission to plan for the future of the State.

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 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Solomon, Slom).

SCRep. 3127 Water, Land, and Housing on S.C.R. No. 118

The purpose and intent of this measure is to urge the Office of Planning to complete regional plans and studies as required by statute in a timely manner.

Your Committee received testimony in support of this measure from the Office of Planning.

The Office of Planning's projects and programs are vital to the future of the State, and your Committee finds that it is important that the office meets its deadlines in a timely manner. Your Committee finds that although the Office of Planning's budget has diminished, it has managed to successfully acquire funds from other sources such as the federal government. However, your Committee understands that certain outside sources of funding have constraints, often including matching requirements. Your Committee recognizes the Office of Planning's efforts despite the office's decreasing budget and encourages the continuation of work toward the office's important mission to plan for the future of the State.

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. 118 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Solomon, Slom).

SCRep. 3128 Commerce and Consumer Protection on H.B. No. 1543

The purpose and intent of this measure is to make clarifying amendments to the Motor Vehicle Industry Licensing Act.

Prior to the hearing on this measure, your Committee made available for public review a proposed S.D. 1 of this measure. The proposed S.D. 1 deleted the contents of this measure and inserted provisions that prohibit motor vehicle manufacturers or distributors from recovering or attempting to recover for increased warranty reimbursement from dealers.

Your Committee received testimony in support of the proposed S.D. 1 from the Tony Group. Your Committee received testimony in opposition to the proposed S.D. 1 from the Alliance of Automobile Manufacturers. Your Committee received comments on the proposed S.D. 1 from the Motor Vehicle Industry Licensing Board.

Your Committee finds that certain motor vehicle manufacturers may attempt to recover their warranty parts expenses from automobile dealers in the State. This measure attempts to address this situation by prohibiting motor vehicle manufacturers or distributors from recovering from an automobile dealer the cost for reimbursing a dealer for vehicle warranty repairs.

Your Committee has heard the concerns that this measure, as written, may be overly broad with unintended negative consequences for the State's automobile manufacturers and consumers. Your Committee further finds that section 437-56, Hawaii Revised Statutes, requires manufacturers to pay automobile dealers at least the same markup for parts as the markup charged by dealers to retail customers. Your Committee has also heard the concerns that manufacturers who recover their warranty parts expenses from the State's automobile dealers render section 437-56, Hawaii Revised Statutes, ineffective. Your Committee believes that a solution to this issue is needed, but acknowledges that further discussion on this measure is necessary.

Interested stakeholders who appeared before your Committee have indicated a willingness to collaborate on this topic. Your Committee encourages these stakeholders to continue discussion on this measure so that a workable solution can be reached.

Accordingly, your Committee has amended this measure by

- (1) Adopting the proposed S.D. 1; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1543, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1543, 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, Solomon, Slom).

SCRep. 3129 (Joint) Agriculture and Public Safety, Government Operations, and Military Affairs on H.B. No. 1925

The purpose and intent of this measure is to allow holders of class 1 manufacturer liquor licenses to sell beer, wine, or other specified liquor manufactured or distilled in Hawaii in any quantity to wholesalers in original packages or for private use and consumption.

Your Committees received testimony in support of this measure from Maui Brewing Co.; Manulele Holdings, LLC; Hawaiian Agricultural Products, LLC; and one individual. Your Committees received testimony in opposition to this measure from the Hawaii Liquor Wholesalers Association; Hawaii Farm Bureau Federation; and Tedeschi Vineyards, Ltd.

Your Committees find that this measure will increase business opportunities for local liquor manufacturers by creating a new market for direct-to-consumer sales.

Your Committees have amended this measure by:

- (1) Adding language to clarify that under this measure, class 1 manufacturer liquor licenses will allow licensees to sell beer, wine, or other liquor manufactured or distilled on the licensee's premises from fruits or other products grown in the State; 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 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. 1925, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1925, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Chun Oakland, Ryan, Slom, Tokuda).

SCRep. 3130 (Joint) Water, Land, and Housing and Agriculture on S.C.R. No. 157

The purpose and intent of this measure is to request the establishment of a task force to examine state regulation of the harvesting of Hawaiian sandalwood.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, JAWMIN, LLC, Hawaii Cattlemen's Council, Agribusiness Development Corporation, and four individuals. The Nature Conservancy submitted comments.

Your Committees find that it is in the best interest of the State to establish regulations for the harvest of Hawaiian sandalwood after due consideration of scientific research findings and other information regarding the distribution and population of Hawaiian sandalwood. Establishing a task force to examine state regulation of the harvesting of Hawaiian sandalwood is the first step to creating a sustainable environment for this rare but highly valuable tree. In order for the task force to accomplish its goals, your Committees estimate that \$40,000 is needed.

Your Committees have amended this measure by:

- (1) Deleting The Nature Conservancy from the task force;
- (2) Adding to the task force one representative each from the Office of Hawaiian Affairs, University of Hawaii, and a landowner who sustainably harvests sandalwood;
- (3) Deleting the agribusiness exemption;
- (4) Requiring the task force to conduct a thorough inventory of sandalwood in the State;
- (5) Requiring the report to be submitted to the Legislature prior to the convening of the Regular Session of 2013, rather than 2014; 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 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. 157, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 157, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Slom, Solomon, Tokuda).

SCRep. 3131 (Joint) Water, Land, and Housing and Agriculture on S.R. No. 93

The purpose and intent of this measure is to request the establishment of a task force to examine state regulation of the harvesting of Hawaiian sandalwood.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, JAWMIN, LLC, Hawaii Cattlemen's Council, Agribusiness Development Corporation, and four individuals. The Nature Conservancy submitted comments.

Your Committees find that it is in the best interest of the State to establish regulations for the harvest of Hawaiian sandalwood after due consideration of scientific research findings and other information regarding the distribution and population of Hawaiian sandalwood. Establishing a task force to examine state regulation of the harvesting of Hawaiian sandalwood is the first step to creating a sustainable environment for this rare but highly valuable tree. In order for the task force to accomplish its goals, your Committees estimate that \$40,000 is needed.

Your Committees have amended this measure by:

- (1) Deleting The Nature Conservancy from the task force;
- (2) Adding to the task force one representative each from the Office of Hawaiian Affairs, University of Hawaii, and a landowner who sustainably harvests sandalwood;
- (3) Deleting the agribusiness exemption;
- (4) Requiring the task force to conduct a thorough inventory of sandalwood in the State;
- (5) Requiring the report to be submitted to the Legislature prior to the convening of the Regular Session of 2013, rather than 2014; 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 Water, Land, and Housing and Agriculture 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, 9. Noes, none. Excused, 3 (Solomon, Tokuda, Slom).

SCRep. 3132 (Joint) Energy and Environment and Water, Land, and Housing on S.R. No. 25

The purpose and intent of this measure is to urge the Public Land Development Corporation to work with the Department of Land and Natural Resources to develop and implement geothermal projects on public trust land on the Islands of Maui and Hawaii.

Your Committees received testimony in support of this measure from the Public Land Development Corporation; Pacific Resource Partnership; Association of Hawaiian Civic Clubs; Innovations Development Group; Indigenous Consultants, LLC; and one individual. Your Committees received testimony in opposition to this measure from the Office of Hawaiian Affairs.

Your Committees find that geothermal exploration has the potential to yield geothermal energy, transforming Hawaii from a fossil-fuel-dependent state to a state that embraces renewable energy. Geothermal energy is indigenous, efficient, renewable, and stable. Your Committees note that the Hawaii Clean Energy Initiative sets a goal of forty percent of all electricity generation and delivery coming from renewable sources by the year 2030.

Your Committees have amended this measure by:

- (1) Amending its title to clarify that the Public Land Development Corporation is urged to first identify public trust land on the Islands of Hawaii and Maui with geothermal resources that may be developed; 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 Water, Land, and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 25, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 25, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

SCRep. 3133 Commerce and Consumer Protection on Gov. Msg. No. 750.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PRIVATE DETECTIVES AND GUARDS

G.M. No. 750 EDWARD AKIONA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Edward Akiona to possess the requisite qualifications to be nominated to the Board of Private Detectives and Guards.

Your Committee received testimony in support of the nomination of Edward Akiona from the Department of Commerce and Consumer Affairs and three individuals.

Upon review of the testimony, your Committee finds that the nominee has extensive experience in law enforcement in the public sector as a police officer and security manager and in the private sector as the owner of a security company. Your Committee further finds that the nominee is especially knowledgeable in the areas of management and training of security guards and familiar with many of the procedures of the Board of Private Detectives and Guards. The nominee's experience, desire to improve the private detective and guard industry, and commitment to the community make him highly qualified to serve as a member of the Board of Private Detectives and Guards.

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 (Galuteria, Green, Solomon).

SCRep. 3134 Commerce and Consumer Protection on Gov. Msg. No. 675.

Recommending that the Senate advise and consent to the nomination of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 675 RICHARD J.Y. LOUIS, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Richard J.Y. Louis to possess the requisite qualifications to be nominated to the Elevator Mechanics Licensing Board.

Your Committee received testimony in support of the nomination of Richard J.Y. Louis from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that the nominee's three decades of technical and professional experience, prior service on the Elevator Mechanics Licensing Board, and commitment to public service qualify him for reappointment to the Board. Your Committee notes that the nominee has shown the ability to objectively evaluate the issues facing the Board by balancing the interests of consumers and licensees. Your Committee further finds that the nominee has been reappointed to the Elevator Mechanics 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, 4. Noes, none. Excused, 3 (Galuteria, Green, Solomon).

SCRep. 3135 (Majority) Commerce and Consumer Protection on Gov. Msg. Nos. 618, 620, 621, 622, 623, 624, 625, 626, 628, and 643.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAI'I HEALTH CONNECTOR

G.M. No. 618 SHERRY MENOR-MCNAMARA, for a term to expire 6-30-2015 (Replaces GM607);

G.M. No. 620 ROBERT HIROKAWA, for a term to expire 6-30-2014 (Replaces GM609);

G.M. No. 621 CLIFFORD ALAKAI, for a term to expire 6-30-2016 (Replaces GM610);

G.M. No. 622 GWEN RULONA, for a term to expire 6-30-2014 (Replaces GM611);

G.M. No. 623 CHRISTINE SAKUDA, for a term to expire 6-30-2015 (Replaces GM612);

G.M. No. 624 JOAN DANIELEY, for a term to expire 6-30-2015 (Replaces GM613);

G.M. No. 625 JENNIFER DIESMAN, for a term to expire 6-30-2014 (Replaces GM614);

G.M. No. 626 MICHAEL GLEASON, for a term to expire 6-30-2015 (Replaces GM615);

G.M. No. 628 FAYE KURREN, for a term to expire 6-30-2014 (Replaces GM617); and

G.M. No. 643 CLEMENTINA CERIA-ULEP, for a term to expire 6-30-2014,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Sherry Menor-McNamara, Robert Hirokawa, Clifford Alakai, Gwen Rulona, Christine Sakuda, Joan Danieley, Jennifer Diesman, Michael Gleason, Faye Kurren, and Clementina Ceria-Ulep to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Health Connector.

Your Committee finds that Act 205, Session Laws of Hawaii 2011, established the Hawaii Health Connector to create a health insurance exchange pursuant to the federal Patient Protection and Affordable Care Act of 2010. Act 205, codified as chapter 435H, Hawaii Revised Statutes, established the Hawaii Health Connector as a nonprofit corporation to be governed by a board of directors. Chapter 435H, Hawaii revised Statutes, requires the Hawaii Health Connector to be audited annually by the State Auditor, who must submit the results of each annual audit to the Insurance Commissioner. Chapter 435H also dictates the composition of the Board of Directors, stating that the "membership of the board shall reflect geographic diversity and the diverse interests of stakeholders including consumers, employers, insurers, and dental benefit providers."

Board members are also required by chapter 435H to "adopt policies prohibiting conflicts of interest and procedures for recusal of a member in the case of an actual or potential conflict of interest, including policies prohibiting a member from taking part in official action on any matter in which the member had any financial involvement or interest prior to the commencement of service on the board."

Your Committee further finds that the purpose of the Board of Directors of the Hawaii Health Connector is to implement and execute the health insurance exchange in the State. The Board has a unique opportunity that has been given to them by virtue of federal health care reform. The Board has been tasked with starting up a new organization from the ground up, for which there is no successful, fully vetted template. The Patient Protection and Affordable Care Act and its regulations allow health insurance exchanges to be developed according to each state's individual needs, thus recognizing that every state has different considerations that must be taken into account. This flexibility is more appropriate than mandating a one-size-fits-all approach to health insurance exchanges, especially for Hawaii, which already implements the Hawaii Prepaid Health Care Act.

Your Committee additionally finds that the Board and the State are operating under an extremely tight timeline to meet all federal deadlines for the health insurance exchange. Hawaii's plan for the health insurance exchange must be accepted by federal regulators by January 1, 2013. The Board must have the Hawaii Health Connector up and running by January 1, 2014, with additional benchmarks to be met along the way. The nominees for the Board of Directors have the expertise, experience, and commitment to the mission of the Hawaii Health Connector that are necessary for its successful implementation, especially considering the amount of work that must be done in such a short timeframe.

Your Committee also finds that the Board is not, and was not designed to be, a regulatory body. According to chapter 435H, Hawaii Revised Statutes, the Insurance Commissioner determines eligibility for the inclusion of insurers and plans in the Hawaii Health Connector. The Insurance Commissioner also retains full regulatory jurisdiction pursuant to the authority granted to the Insurance Commissioner under part II of article 2, chapter 431, Hawaii Revised Statutes.

Your Committee has heard the concerns that the Hawaii Health Connector's status as a nonprofit organization will mean it is not subject to the State's sunshine laws. However, your Committee believes that transparency of the Hawaii Health Connector exists and will continue once the permanent Board of Directors is in place. The Board is required by statute to maintain transparency of Board actions, including public disclosure and posting of board minutes on the Connector's website. Board meetings are open to the public and the Insurance Commissioner retains full regulatory jurisdiction over all insurers and qualified plans and qualified dental plans included in the connector. Additionally, the Board of Directors must also abide by all federal laws and rules.

Earlier this month, the United States Department of Health and Human Services released a final rule that sets forth requirements for a health insurance exchange governing board. If the exchange is an independent state agency or a nonprofit entity established by the state, the state must ensure that the exchange governing board is clearly defined, is administered under a formal, publicly adopted operating charter or by-laws, holds regular public governing board meetings that are announced in advance, and ensures that a majority of the voting members have relevant experience. The board must also represent consumer interests by ensuring that overall governing board membership includes at least one voting member who is a consumer representative and is not made up of a majority of voting representatives with a conflict of interest, including representatives of health insurance issuers or agents or brokers, or any other individual licensed to sell health insurance. Under this arrangement, the exchange must have in place and make publicly available a set of guiding governance principles that include ethics, conflict of interest standards, accountability and transparency standards, and disclosure of financial interest. The exchange must also implement procedures for disclosure of financial interests by members of the exchange board or governance structure.

Your Committee notes that the interim Board of Directors adopted conflict of interest policies prohibiting members from voting on any matter which would "directly and substantially" affect a business or private undertaking in which the member has financial interest, or a competitor of that entity. Your Committee also notes that membership on the Board of Directors is not currently weighted in favor of representatives of health insurers and is therefore compliant with the recently released federal rules.

Your Committee has heard testimony from the nominees for the Board of Directors and is confident that, as members of the Board of Directors, they will remain committed to the Hawaii Health Connector and its mission of serving the consumer. One of the goals of the board members will be to maintain transparency. A website is in progress that will have a list of board meetings scheduled, a copy of board meeting minutes, and the conflict of interest policy.

Your Committee concludes that the nominees for the Board of Directors are a diverse, highly qualified group of individuals with integrity and a fiduciary duty to the Hawaii Health Connector. Your Committee is confident that the members on the Board of

Directors will bring up any perceptions of a conflict of interest with other board members, recuse themselves if necessary, and comply with all applicable federal and state laws, rules, and regulations.

SHERRY MENOR-MCNAMARA

Your Committee received testimony in support of the nomination of Sherry Menor-McNamara from Wilson Homecare; The Chamber of Commerce of Hawaii; ProService Hawaii; Kona-Kohala Chamber of Commerce; Hawaii Crop Improvement Association; First Hawaiian Bank; Hawaii Alliance of Nonprofit Organizations; Hawaii Pacific Health; Hawaii Employers Council; Building Industry Association of Hawaii; Healthcare Association of Hawaii; Monsanto Hawaii; McCabe, Hamilton & Renny Co., Ltd.; The Hawaii Group, Inc.; Hawaii Pacific Health; LSZ Consulting; Community Media; Pacific Allied Products, Ltd.; Olsten Staffing and Executive Search Services; Hawaii Business Roundtable; and seven individuals. Your Committee received testimony in opposition to the nomination of Sherry Menor-McNamara from Americans for Democratic Action Hawaii.

Upon review of the testimony, your Committee finds that this nominee's professional background, dedication to the community, and proven leadership on the interim Board of Directors qualify her for appointment to the Board of Directors of the Hawaii Health Connector. Your Committee notes that the nominee is currently the Senior Vice President of Government Affairs of The Chamber of Commerce of Hawaii, an experience that has enabled her to gain a broad understanding of issues and concerns facing business organizations, particularly with respect to health care insurance. The nominee is also the Chair of the interim Board of the Hawaii Health Connector and has been able to facilitate the progress of the Hawaii Health Connector and manage constructive and in-depth dialogue among board members without losing sight of Hawaii Health Connector's mission. Your Committee further finds that this nominee has a thorough understanding of the role and responsibilities of the Board of Directors.

ROBERT HIROKAWA

Your Committee received testimony in support of the nomination of Robert Hirokawa from Hina Mauka, Healthcare Association of Hawaii, Hawaii Primary Care Association, and Hawaii Coalition for Health.

Upon review of the testimony, your Committee finds that this nominee's background in the health care system, dedication to the community, and proven leadership on the interim Board of Directors qualify him for appointment to the Board of Directors of the Hawaii Health Connector. Your Committee notes that the nominee has been involved in Hawaii's health care system for over twenty-five years, an experience that has enabled him to gain a broad understanding of the multitude of issues in the complex health care environment. The nominee is the Chief Executive Officer of the Hawaii Primary Care Association, is on the Board of Directors of the Hawaii Public Health Association, and serves on the interim Board of Directors for the Hawaii Health Connector as a representative of Hawaii's federally qualified health centers. Your Committee further finds that this nominee is dedicated to ensuring that the Hawaii Health Connector remains consumer-centered.

CLIFFORD ALAKAI

Your Committee received testimony in support of the nomination of Clifford Alakai from Maui Economic Opportunity, Inc.; Tom Battisto & Associates, LLC; Maui Memorial Medical Center; American Medical Response Oahu; Accuity, LLP; and one individual.

Upon review of the testimony, your Committee finds that this nominee's professional background, dedication to the community, and proven leadership on the interim Board of Directors qualify him for appointment to the Board of Directors of the Hawaii Health Connector. Your Committee notes that the nominee has a good understanding of the health care delivery system, by virtue of his employment with Maui Medical Group, a physician-owned multispecialty medical group. The nominee also has an accounting background, which helps him understand financial transactions, insurance risk pools, and cash flow. The nominee serves as treasurer of the interim Board of Directors for the Hawaii Health Connector and understands the importance of having a diverse group of individuals on the Board capable of offering many different perspectives, including the unique insight available from neighbor island representatives.

GWEN RULONA

Your Committee received testimony in support of the nomination of Gwen Rulona from International Longshore and Warehouse Union, Local 142.

Upon review of the testimony, your Committee finds that this nominee's background, dedication to consumers, and proven leadership on the interim Board of Directors qualify her for appointment to the Board of Directors of the Hawaii Health Connector. Your Committee notes that the nominee has served as Secretary-Treasurer and Director of Education and Legislation for the United Food and Commercial Workers Union, Local 480 for over two decades. The nominee is well-versed in health care issues and serves on the interim Board of Directors for the Hawaii Health Connector, where she brings an important consumer perspective to matters before the interim Board. Your Committee further finds that this nominee has a thorough understanding of the role and responsibilities of the Board of Directors.

CHRISTINE SAKUDA

Your Committee received testimony in support of the nomination of Christine Sakuda from Healthcare Association of Hawaii.

Upon review of the testimony, your Committee finds that this nominee's professional background, dedication to promoting access to quality health information, and proven leadership on the interim Board of Directors qualify her for appointment to the Board of Directors of the Hawaii Health Connector. Your Committee notes that the nominee has spent her entire professional career in the field of health information technology. The nominee is the Executive Director of the Hawaii Health Information Exchange, where she leads a skilled team from a diverse background toward the goal of implementing Hawaii's safe, effective, and high quality state health information exchange. The nominee also serves on the interim Board of Directors and understands that the Hawaii Health Information Exchange and the Hawaii Health Connector are pioneering bodies committed to planning and furthering development of access to proper health care.

JOAN DANIELEY

Your Committee received testimony in support of the nomination of Joan Danieleley from Kaiser Permanente; Carlsmith Ball, LLP; and two individuals. Your Committee received testimony in opposition to the nomination of Joan Danieleley from Rights of Consumer Consortium, Kokua Council, AARP, Americans for Democratic Action Hawaii, Progressive Democrats of Hawaii, League of Women Voters of Hawaii, Hawaii Coalition for Health, and five individuals.

Upon review of the testimony, your Committee finds that this nominee's diverse professional background, dedication to focusing on the needs of the consumer, and proven leadership on the interim Board of Directors qualify her for appointment to the Board of Directors of the Hawaii Health Connector. Your Committee notes that the nominee has over fifteen years of health care experience, as an attorney, health plan executive, and clinical instructor. The nominee is the Vice President of Health Plan Service and Administration at Kaiser Permanente Hawaii, where she is responsible for leading the strategy, development, and execution of health plan operational functions. The nominee's prior success with business start ups, customer service, system implementation, and business operations will be of great benefit to the Hawaii Health Connector as it designs the new insurance exchange, meets the requirements of the Patient Protection and Affordable Care Act, conducts consumer outreach, and implements the systems required to run an efficient and effective exchange. Your Committee further finds that this nominee is a member of the interim Board of Directors.

JENNIFER DIESMAN

Your Committee received testimony in support of the nomination of Jennifer Diesman from Hawaiian Electric Company, Inc.; Hawaii Medical Service Association; Hina Mauka; Arcadia; Hawaii Business Roundtable; Healthcare Association of Hawaii; Helping Hands Hawaii; Outrigger Hotels Hawaii; and six individuals. Your Committee received testimony in opposition to the nomination of Jennifer Diesman from Rights of Consumer Consortium, Kokua Council, AARP, Americans for Democratic Action Hawaii, Progressive Democrats of Hawaii, League of Women Voters of Hawaii, Hawaii Coalition for Health, and six individuals.

Upon review of the testimony, your Committee finds that this nominee's professional experience, dedication to improving the health of the people of Hawaii, and proven leadership on the interim Board of Directors qualify her for appointment to the Board of Directors of the Hawaii Health Connector. Your Committee notes that the nominee has been intimately involved with health care policy development in Hawaii for over thirteen years. Her experience as an employee of the Hawaii Medical Service Association has enabled her to work closely with public and private entities across the State's health care spectrum, given her a wide perspective of the community, and given her an understanding of the importance of health care to the residents of Hawaii. The nominee is active in many community organizations and boards, including Helping Hands Hawaii, Hawaii Health Information Exchange, Hawaii Association of Health Plans, and the interim Board of Directors of the Hawaii Health Connector. Your Committee further finds that this nominee has a perspective that is critical to the effective functioning of the Board of Directors.

MICHAEL GLEASON

Your Committee received testimony in support of the nomination of Michael Gleason from GBS/CIDP Foundation International; Goodwill Industries of Hawaii, Inc.; KTA Super Stores; Hawaii Alliance of Nonprofit Organizations; Faith Action for Community Equity; Hawaii Coalition for Health; and two individuals.

Upon review of the testimony, your Committee finds that this nominee's background of service, dedication to underserved populations in the State, and proven leadership on the interim Board of Directors qualify him for appointment to the Board of Directors of the Hawaii Health Connector. Your Committee notes that the nominee has over twenty years of service within the nonprofit sector in numerous key leadership roles and is the Chief Executive Officer of the Arc of Hilo, a nonprofit organization that provides services and advocacy to disadvantaged citizens in Hawaii. The nominee has been the voice for the consumer on the interim Board of Directors of the Hawaii Health Connector, has actively worked toward outreach and collaboration with the stakeholder community, and as chair of the Consumer Outreach Committee, has focused on determining the best way to get vital Hawaii Insurance Exchange information to and from consumers.

FAYE KURREN

Your Committee received testimony in support of the nomination of Faye Kurren from American Red Cross; Aloha Petroleum, Ltd.; First Insurance Company of Hawaii; Bank of Hawaii; American Savings Bank; Hawaii Pacific Health; Hawaiian Dredging Construction Company, Inc.; International Longshore and Warehouse Union, Local 142; and six individuals. Your Committee received testimony in opposition to the nomination of Faye Kurren from Rights of Consumer Consortium; Kokua Council; American Association of Retired Persons; Americans for Democratic Actions; Progressive Democrats of Hawaii; League of Women Voters of Hawaii; Hawaii Coalition for Health; and five individuals.

Upon review of the testimony, your Committee finds that this nominee's professional background, dedication to improving the oral health of the community, and commitment to public service qualify her for appointment to the Board of Directors of the Hawaii Health Connector. Your Committee notes that the nominee is currently the President and Chief Executive Office of Hawaii Dental Service, and has proven experience and knowledge of the dental benefits industry and the delivery of affordable dental benefits to individuals and small businesses. The nominee can bring considerable expertise to the Board of Directors of the Hawaii Health Connector regarding dental benefits, the oral health of Hawaii residents, and system design that would assist in implementing the dental benefit provisions of the health care reform law.

CLEMENTINA CERIA-ULEP

Your Committee received testimony in support of the nomination of Clementina Ceria-Ulep from Faith Action for Community Equity, Wahiawa United Methodist Church, Hawaii Coalition for Health, and eight individuals. Your Committee received testimony in opposition to the nomination of Clementina Ceria-Ulep from one individual.

Upon review of the testimony, your Committee finds that this nominee's professional background, experience, and commitment to being a voice of the consumer qualify her for appointment to the Board of Directors of the Hawaii Health Connector. Your Committee notes that the nominee has been a nurse educator for eighteen years, a registered nurse for over twenty-nine years, and a leader for over fifteen years of Faith Action for Community Equity, an interfaith grass roots organization. The nominee has been the Chair of the

health care committee of Faith Action for Community Equity, and understands the needs of consumers, in particular the needs of the medically underserved people of Hawaii. The nominee is aware of the issues and struggles relating to health care that are faced by consumers and understands the role and responsibilities of the Board of Directors of the Hawaii Health Connector.

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, 1 (Slom). Excused, 1 (Green).

SCRep. 3136 Commerce and Consumer Protection on H.B. No. 2258

The purpose and intent of this measure is to require professional and vocational licensing authorities to consider military education, training, or service toward the qualifications for a license and to adopt rules accordingly.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii; Oahu Veterans Center; and Military Officers Association of America, Hawaii Chapter. Your Committee received testimony in opposition to this measure from the Hawaii State Center for Nursing. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and United States Department of Defense State Liaison Office.

Your Committee finds that service members who leave the military often experience delays finding post-service employment. Transitioning service members leave the military with documented training and experience that can prepare them for civilian employment; however, this documentation is not always used by state entities when determining qualifications for an occupational license.

Your Committee further finds that the employment of military veterans has been cited as a top priority by the President of the United States and the United States Secretaries of Defense and Veterans Affairs. The First Lady of the United States has addressed this issue as well, as part of the Joining Forces Initiative, which was established to raise awareness and encourage all sectors of society to recognize the service and sacrifice of military veterans. Your Committee concludes that Hawaii should be a part of this nationwide effort.

Your Committee understands that every licensing authority in the State has its own statutes and rules, with specific requirements for licensure. Your Committee notes that this measure is not intended to require state licensing authorities to accept any military education, training, or service regardless of whether the education, training, or service has any relevance to the specific licensing area. Rather, this measure is intended to support military veterans by recognizing that the military education, training, or service that veterans receive while employed in the United States Armed Forces or Reserves is substantially equal to some of the requirements mandated by the State for obtaining certain licenses.

Your Committee notes that the companion to this measure, S.B. No. 2392, S.D. 1, which was previously passed by the Senate, contains similar language that requires professional and vocational licensing authorities to consider military education, training, or service toward the qualification requirements to receive a license. S.B. No. 2392, S.D. 1, additionally requires the Licensing Administrator of the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs to communicate the intent and parameters of the measure to each licensing authority and report plans for implementation to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

Your Committee additionally finds that the language in S.B. No. 2392, S.D. 1, is preferable because it was developed collaboratively by the United States Department of Defense and the Department of Commerce and Consumer Affairs and contains a reporting requirement that will allow the implementation of the requirements of the measure to be appropriately monitored.

Accordingly, your Committee has amended this measure by:

- (1) Replacing its contents with the contents of S.B. No. 2392, S.D. 1;
- (2) Inserting an effective date of July 1, 2012;
- (3) Inserting a sunset date of June 30, 2022; and
- (4) 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. 2258, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2258, 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, 3 (Solomon, Taniguchi, Slom).

SCRep. 3137 Commerce and Consumer Protection on H.B. No. 2628

The purpose and intent of this measure is to exempt from the Residential Landlord-Tenant Code residences directly controlled and managed by any university or college in the State and certain private dorm management companies offering beds to students.

Your Committee received testimony in support of this measure from Chaminade University of Honolulu and Hawaii Student Suites, Inc.

Your Committee finds that there is a national movement for private dorm management companies to build and operate student housing in conjunction with colleges and universities. As the student population in the State grows, local colleges and universities

cannot meet the demand for student housing, and therefore must look to private dorm management companies to offer additional student housing.

This measure extends the exemption currently granted to the University of Hawaii to all universities and colleges in the State and private dorm management companies that offer a minimum of fifty beds to students of any college, university, or other institution of higher learning in the State. Your Committee further finds that the University of Hawaii was exempted from the Residential Landlord-Tenant Code because the Legislature recognized that a dorm could not operate in its unique market within the requirements of the Residential Landlord-Tenant Code. Now that other colleges, universities, and dorm management companies also provide student housing in the State, it is necessary to provide these entities the same exemption already provided to the University of Hawaii.

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. 2628, H.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Solomon, Taniguchi, Slom).

SCRep. 3138 Commerce and Consumer Protection on H.B. No. 1965

The purpose and intent of this measure is to clarify the continuing education requirements for pharmacists in Hawaii.

Your Committee received testimony in support of this measure from the Board of Pharmacy, Kaiser Permanente Hawaii, and Walgreen Co.

Your Committee finds that this measure amends the definition of “continuing education courses” to mean courses approved by the Accreditation Council for Pharmacy Education. Your Committee further finds that the Accreditation Council for Pharmacy Education is the recognized national agency for the accreditation of professional degree programs in pharmacy and providers of continuing education. Recognizing Accreditation Council for Pharmacy Education-accredited continuing education courses will ensure that pharmacists in Hawaii receive continuing education that will assist in the advancement of the practice of pharmacy and promote patient safety.

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. 1965, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Solomon, Taniguchi, Slom).

SCRep. 3139 Commerce and Consumer Protection on H.B. No. 2272

The purpose and intent of this measure is to add a definition of “land surveying”, clarify the definition of “landscape architect”, and replace the definition of “surveyor” or “land surveyor” with a definition of “professional surveyor”, “professional land surveyor”, or “land surveyor”.

Your Committee received testimony in support of this measure from the Board of Professional Engineers, Architects, Surveyors and Landscape Architects. 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 the existing definition for “surveyor” or “land surveyor” is outdated and does not reflect the full scope and practice of land surveying. The clarified definition of “land surveying” proposed by this measure provides a more accurate description of the activities involved in the practice of land surveying.

Your Committee notes that the companion to this measure, S.B. No. 2167, S.D. 1, which was previously passed by the Senate, is a substantively similar measure with technical, nonsubstantive differences. Your Committee also notes that this measure and S.B. No. 2167, S.D. 1, represent the combined efforts of the Board of Engineers, Architects, Surveyors and Landscape Architects; industry groups; and the Regulated Industries Complaints Office to update existing definitions that would capture the full range of conduct performed by land surveyors. However, your Committee additionally finds that the language and formatting of S.B. No. 2167, S.D. 1, are preferable.

Accordingly, your Committee has amended this measure by:

- (1) Replacing its contents with the contents of S.B. No. 2167, S.D. 1; and
- (2) Changing the effective date in S.B. No. 2167, S.D. 1, to upon approval.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2272, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2272, 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, 3 (Solomon, Taniguchi, Slom).

SCRep. 3140 Commerce and Consumer Protection on H.B. No. 2242

The purpose and intent of this measure is to improve the quality of veterinary care in Hawaii by establishing a veterinary license renewal requirement of at least twenty credit hours of continuing education during each licensing biennium.

Your Committee received testimony in support of this measure from the Board of Veterinary Examiners.

Your Committee finds that this measure would require continuing education so that veterinarians may continue to provide the best care for their animal patients. Your Committee further finds that the Board of Veterinary Examiners, Hawaii veterinarians, administrators in the Department of Commerce and Consumer Affairs, education providers, and legislators are in agreement about mandating continuing education for veterinarians.

Your Committee notes that the companion to this measure, S.B. No. 2522, S.D. 1, which was previously passed by the Senate, is a substantively identical measure with technical, nonsubstantive differences. Your Committee additionally finds that the language and formatting of S.B. No. 2522, S.D. 1, are preferable.

Accordingly, your Committee has amended this measure by replacing its contents with the contents of S.B. No. 2522, S.D. 1, and further amending the 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. 2242, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2242, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Solomon, Taniguchi, Slom).

SCRep. 3141 Commerce and Consumer Protection on H.B. No. 1879

The purpose and intent of this measure is to make permanent the exclusion of pest control operators' activities from the definition of "excavation" under the One Call Center law by repealing the sunset provision in Act 72, Session Laws of Hawaii 2009.

Your Committee received testimony in support of this measure from the Hawaii Pest Control Association. Your Committee received comments on this measure from the Public Utilities Commission.

Your Committee finds that this measure would exempt all pest control operators from having to comply with the State's One Call utility notification law. Your Committee is cognizant that complaints about the shallow excavation done by pest control companies are miniscule. Your Committee further finds that federal law permits a state to assess, rank, and consider appropriate participation by excavators in a state one call notification program.

Your Committee notes that the companion to this measure, S.B. No. 2432, S.D. 1, which was previously passed by the Senate, contains language that clarifies and extends for two years the exemption for certain activities of pest control operators from the definition of "excavation" under the one call center law; requires exempt pest control operators to attend training provided by the Hawaii one call center; and requires the Public Utilities Commission to conduct an investigation on the risks of residential pest control application and report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014. S.B. No. 2432, S.D. 1, contains an effective date of June 29, 2050. Your Committee concludes that S.B. No. 2432, S.D. 1, contains more comprehensive requirements and is therefore preferable.

Accordingly, your Committee has amended this measure by:

- (1) Replacing its contents with the contents of S.B. No. 2432, S.D. 1; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

Your Committee also notes that the Public Utilities Commission has the authority to issue binding interpretations or declaratory rulings to assess, rank, and take into consideration the risks to public safety, the environment, excavators, and vital public services associated with activities of different types of excavators. In March 2012, the Public Utilities Commission issued the opening order to begin its investigation to assess and evaluate the general risks caused by pest control operator activities with respect to damage caused by that industry to underground facilities. Although the Public Utilities Commission has indicated it believes it can conclude its investigation and issue a declaratory ruling by the end of the legislative session, your Committee concludes it is important for this amended measure to continue to move forward in the current legislative session.

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. 1879, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1879, 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, 3 (Solomon, Taniguchi, Slom).

SCRep. 3142 Education on H.B. No. 1054

The purpose and intent of this measure is to amend chapter 302A, Hawaii Revised Statutes (HRS), to require the Committee on Weights to meet not less than once every odd-numbered year.

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 amended this measure by deleting its contents and replacing it with the contents of S.B. No. 2994, S.D. 2, Regular Session of 2012 (S.B. 2994), which:

- (1) Authorizes the Board of Education to enter into an agreement with any tax-exempt nonprofit corporation recognized under section 501(c)(3) of the Internal Revenue Code to obtain the use of the books and property and income of that nonprofit;
- (2) Authorizes the deposit of monies collected pursuant to section 312-3.8, HRS, into the libraries special fund;

- (3) Amends section 312-3.8, HRS, to:
- (A) Authorize the head librarian of each library branch, with the approval of the State Librarian, and in consultation with the Board of Education, to issue licenses, revocable permits, concessions, or rights of entry for the use of public library facilities and grounds;
 - (B) Remove references to the Hawaii State Library Foundation and Friends of the Library of Hawaii;
 - (C) Require the Board of Education to determine the amount of net income or proceeds received for the operation of any concession, vending machine, or other for-profit business enterprise within or on state library facilities that shall be deposited into the libraries special fund;
 - (D) Clarify that nothing in section 312-3.8, HRS, shall be construed to require a library to issue a license, permit, concession, or right of entry in order for any entity to establish a tax-exempt nonprofit corporation recognized under section 501(c)(3) of the Internal Revenue Code whose primary purpose is to support and benefit that library or to donate funds exclusively to that library;
 - (E) Clarify that any book sale held within, or on the grounds of, any state library facility is not a concession; and
 - (F) Require the Board of Education to adopt administrative rules to carry out the purposes of this section; and
- (4) Repeals the Hawaii state library foundation trust fund.

Prior to receiving testimony on the proposed S.D. 1, your Committee further amended the proposed S.D. 1 by:

- (1) Clarifying that the Board of Education may enter into an agreement not only with a nonprofit corporation but also with an affiliate of the nonprofit corporation to obtain the use of the books, property, and income of either the nonprofit corporation or its affiliate;
- (2) Authorizing the deposit of private donations into the libraries special fund;
- (3) Clarifying that privately donated monies for the benefit of a specific library shall be disbursed to the specific public library for the sole use of that library; and
- (4) Clarifying that the State Librarian may establish subaccounts within the libraries special fund.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii State Public Library System, Friends of the Maui County Library dba Maui Friends of the Library, and three hundred twenty individuals. Your Committee received testimony in opposition to the proposed S.D. 1 from the Friends of the Library of Hawai'i and twenty-five individuals.

Your Committee finds that under existing law, the State Librarian may issue licenses, revocable permits, concessions, and rights of entry to only two entities: the Hawaii State Library Foundation and Friends of the Library of Hawaii. Your Committee is concerned that allowing exclusive use of state facilities creates a special privilege for specific private entities even though other private entities may be able to provide an equal or greater benefit to the Hawaii State Public Library System and to a specific library branch if given an equal opportunity to participate.

In addition, your Committee believes that the original intent of the existing law was not to create exclusive-use privileges but rather to encourage and create ways to best support public libraries by encouraging public-private partnerships at the community level.

Your Committee further finds that individuals and entities who truly wish to support their public libraries will not be deterred from doing so under this measure.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Retaining the statutory language establishing the Hawaii state library foundation trust fund;
- (2) Adding language to require the Hawaii State Library Foundation to submit the results of their annual audit to the Board of Education and the Legislature rather than to the Department of Education;
- (3) Clarifying that privately donated monies that are specified by the donor to be for the benefit of a specific library may also be made for multiple libraries;
- (4) Clarifying that the head librarian of each library branch is authorized to request the issuance of licenses, revocable permits, concessions, or rights of entry for the use of library facilities and grounds, with the approval of the State Librarian, in consultation with the Board of Education; and
- (5) Adding language to require the State Librarian to administer any licenses, revocable permits, concessions, or rights of entry for the use of library facilities and grounds.

Your Committee finds that this measure, as amended, will provide greater accountability and transparency over funds generated by the use of public library facilities and grounds.

In addition, your Committee urges that pursuant to the authority granted to the State Librarian in section 312-3.3, HRS, the State Librarian consider the reallocation of vacant positions to create a business manager position or chief financial officer position to handle any specialized human resources needs the Hawaii State Public Library System may encounter in meeting the requirements of this measure.

As this measure progresses through the legislative process, your Committee notes that there may be a need for the Department of the Attorney General to determine whether section 312-3.7, HRS, relating to the Hawaii state library foundation trust fund, requires further

amendments because the Hawaii State Library Foundation no longer exists and another private entity is currently in charge of the trust fund and its monies.

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. 1054, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1054, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Nishihara, Taniguchi).

SCRep. 3143 Judiciary and Labor on H.B. No. 626

The purpose and intent of this measure is to enact the Uniform Collaborative Law Act that:

- (1) Authorizes disputants to enter into collaborative law participation agreements signifying interest to resolve the dispute without intervention of a tribunal court or other third-party decision maker;
- (2) Requires parties to a collaborative law process to disclose information fully, candidly, and informally without formal discovery; and
- (3) Subject to certain exceptions, disqualifies attorneys in the collaborative process, and their law firms, from appearing before a tribunal to represent a party in a proceeding related to the collaborative manner.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation. The Judiciary submitted comments.

Your Committee finds that the Uniform Collaborative Law Act standardizes the most important features of the newly developing area of collaborative law practice while being mindful of ethical concerns as well as questions of evidentiary privilege. In recent years, as the use of collaborative law has grown, it has been governed by a variety of statutes, court rules, and formal and informal standards in different jurisdictions. This measure provides a comprehensive statutory framework to guarantee the benefits of the collaborative process and bring uniformity to the essential features of that process. The Uniform Collaborative Law Act encourages the development and growth of collaborative law as an option for parties who wish to use it as a form of alternative dispute resolution.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2011, to July 1, 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 626, 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. 3144 Judiciary and Labor on H.B. No. 1771

The purpose and intent of this measure is to add habitual property crime, unauthorized entry in a dwelling in the first or second degree, and theft of copper to the list of felonies for which criminal charges may be instituted by written information.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu. Testimony in opposition to this measure was submitted by the Community Alliance on Prisons, American Civil Liberties Union of Hawaii, and five private individuals.

Your Committee finds that as new criminal laws have been passed or amended, the written information law has not been amended accordingly to include those new or amended laws. As such, this measure adds certain felonies that are comparable to the felonies listed in the existing written information 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1771, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1771, 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 (Shimabukuro). Noes, none. Excused, 1 (Ihara).

SCRep. 3145 Judiciary and Labor on H.B. No. 2296

The purpose and intent of this measure is to prohibit the selling, buying, transporting, delivering, offering for sale or transportation, or receiving for transportation in intrastate commerce, any product, item, or substance containing, labeled, or advertised as containing bear gallbladders or bile.

Your Committee received testimony in support of this measure from the Hawaiian Humane Society, The Humane Society of the United States, Born Free USA, Species Survival Network, and twenty-three private individuals.

Your Committee finds that the methods of extracting bear bile are horrendously inhumane. Bears are commonly kept in extraction cages that measure 2.6 feet by 4.4 feet by 6.5 feet for a bear weighing between one hundred ten to two hundred sixty pounds. These

cages prevent the bears from standing upright and severely restrict their movement. The process for extracting the bile involves pushing a hollow steel catheter through the bear's abdomen to "milk" the bile out of the bear.

Despite this inhumane treatment, bear gallbladders and their bile byproduct are used in Asia and the United States to create medicines and some luxury cosmetic items and toiletries. The high worldwide demand for bear gallbladder and bile translates into a high-profit industry. According to testimony, Hawaii is one of the few states that still allows the trade of bear gallbladders taken from bears outside of the State. Your Committee notes that products containing bear bile were found available for sale in Honolulu Chinatown at \$500 for approximately twenty-eight grams. By prohibiting commercial activities involving any product, item, or substance containing bear gallbladder or bile, this measure allows Hawaii to join the other states that have fully banned this trade.

Your Committee has amended this measure by:

- (1) Clarifying that the purchase, sale, transportation, and delivery in commerce, rather than just intrastate commerce, of any product, item, or substance containing, labeled, or advertised as containing bear gallbladders or bile is prohibited; and
- (2) Changing the effective date from January 7, 2059, 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. 2296, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2296, 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. 3146 Judiciary and Labor on H.B. No. 2587

The purpose and intent of this measure is to amend the definition of "sailing school vessel" under chapter 200, Hawaii Revised Statutes, to align with federal regulations.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that this measure aligns the definition of "sailing school vessel" with the federal regulations that govern sailing school vessels. As a result, this measure ensures the legitimacy of sailing school vessels operating in Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2587, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3147 Judiciary and Labor on H.B. No. 2686

The purpose and intent of this measure is to exempt the owner of private property from civil liability for any injury or damage suffered by a person resulting from the owner providing access to land, shelter, or subsistence in good faith, unless the injury or damage was caused by the gross negligence or intentional or wanton acts or omissions by the owner.

The Hawaii Association for Justice submitted comments.

Your Committee finds that this measure ensures that residents and visitors are provided safe places to seek evacuation during a disaster, especially in the event that evacuation shelters are full. Allowing organizations and private property owners to provide shelter and subsistence without fear of liability greatly increases the safety of individuals.

Your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Hawaii Association for Justice to:
 - (A) Clarify the title of the new section added to chapter 663, Hawaii Revised Statutes;
 - (B) Replace references to "disaster" with references to "natural disaster"; and
 - (C) Add a definition for "emergency"; 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. 2686, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2686, 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. 3148 Judiciary and Labor on H.B. No. 2533

The purpose and intent of this measure is to ensure that the definition of "aggravated circumstances" in chapter 587A, Hawaii Revised Statutes, is consistent with recent changes to the federal Child Abuse Prevention and Treatment Act of 2010 and the state plan under Title IV-E of the Social Security Act. Specifically, this measure deems the following situations to constitute "aggravated circumstances":

- (1) A parent has committed sexual abuse against another child of the parent; or

(2) A parent is required to register as a sex offender.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of the Attorney General, and one private individual.

Your Committee finds that the Administration for Children and Families has informed the State that recent changes to the Child Abuse Prevention and Treatment Act need to be incorporated into chapter 587A, Hawaii Revised Statutes, the Child Protective Act. This measure ensures that the State is in compliance with the Child Abuse Prevention and Treatment Act so that the Department of Human Services can maintain federal Child Abuse Prevention and Treatment Act funding of approximately \$140,000 and Hawaii can remain eligible for approximately \$40,000,000 in annual federal Title IV-E funding.

As affirmed by the record of votes of the members 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. 2533, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3149 Judiciary and Labor on H.B. No. 2162

The purpose and intent of this measure is to implement amendments to article 9 of the Uniform Commercial Code, as set forth by the Commission to Promote Uniform Legislation.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation.

Your Committee finds that this measure provides greater clarity regarding the name of an individual debtor to be provided on a financing statement, improves the filing system for financing statements, and provides greater protection for an existing secured party with a security interest in after-acquired property upon a relocation or merger of its debtor. This measure also allows Hawaii's version of article 9 of the Uniform Commercial Code to be consistent with article 9 as it has been adopted in other jurisdictions. This consistency is necessary to avoid conflicts and confusion with respect to interstate transactions.

As affirmed by the record of votes of the members 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. 2162, 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. 3150 Judiciary and Labor on H.B. No. 2181

The purpose and intent of this measure is to amend the deadline to file nomination papers associated with the filing of a vacancy in the membership of the Board of Trustees of the Office of Hawaiian Affairs.

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 Office of the County Clerk of the County of Kauai. The Office of Hawaiian Affairs submitted comments.

Your Committee finds that the State risks violating federal election laws during this year's Office of Hawaiian Affairs Board of Trustees vacancy election. The National Defense Authorization Act for Fiscal Year 2010, Public Law No. 111-84, requires mailing absentee ballots to uniformed and overseas voters no later than forty-five days prior to an election. Under existing state law, candidates for the vacancy election may file their candidacy papers up to fifty days prior to a general election. By placing the deadline for candidates to file at sixty days prior to the general election, which this measure proposes, the Office of Elections will have sufficient time within which to print and mail ballots to overseas and uniformed voters, consequently increasing the likelihood of complying with the federal election law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2181, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3151 Commerce and Consumer Protection on H.B. No. 1964

The purpose and intent of this measure is to limit the out-of-pocket costs for cancer treatments under health insurance plans.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, American Cancer Society, and Hawaii Medical Association. Your Committee received comments on this measure from the Hawaii Medical Service Association.

The American Cancer Society estimates that one-quarter of all deaths in the country are due to cancer. Your Committee finds that although oral treatments are the standard care for many types of cancer, oral anti-cancer medications can have high copayments, coinsurance, and out-of-pocket costs. Your Committee further finds that cancer patients are sometimes forced to make their treatment choice based on cost rather than efficacy. This measure ensures that the costs associated with oral and intravenous chemotherapy procedures are affordable to cancer patients.

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. 1964, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Green, Solomon).

SCRep. 3152 Transportation and International Affairs on S.C.R. No. 162

The purpose and intent of this measure is to urge Hawaii's Congressional delegation to request that the Director of the Office of Global Change of the United States Department of State propose to the Conference of Parties for the United Nations Framework Convention on Climate Change that the United States host the 2015 United Nations Climate Change Conference in Honolulu.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and one individual.

The United Nations Framework Convention on Climate Change Conference is a meeting of approximately 195 international parties and their contingencies. The parties to the framework comprise the authorized decision-making body that reviews and promotes the implementation of the convention and any other legal instruments that the parties adopt. Your Committee finds that holding this conference in Honolulu will reinforce Hawaii's ability to host international conferences in a central meeting place and allow Hawaii's leaders, researchers, scientists, businesses, and communities to be involved in this international meeting on a topic that is truly global in nature.

Your Committee has amended this measure by adding Rio de Janeiro as a possible site of the 2015 convention, based on testimony.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 162, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 162, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 3153 (Joint) Human Services and Public Safety, Government Operations, and Military Affairs on S.R. No. 8

The purpose and intent of this measure is to request Hawaii's Congressional delegation to support the efforts of the National Women's History Museum to secure a permanent home in Washington, D.C., for a museum that will highlight the important role women have played in shaping the United States.

Your Committees received testimony in support of this measure from one individual.

Your Committees find that there are numerous museums dedicated to various issues and people of interest in Washington, D.C., but no national museum exists that is dedicated solely to women's history. Establishing a presence near the National Mall in the nation's capital would ensure that women's sacrifices and contributions throughout America's history remain visible and relevant to our younger generations. This measure requests Hawaii's Congressional delegation to support the efforts of the National Women's History Museum to secure a permanent home in Washington, D.C., for a museum that will highlight the important role women have played in shaping the nation.

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 concur with the intent and purpose of S.R. No. 8 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 1 (Slom).

SCRep. 3154 (Joint) Human Services and Public Safety, Government Operations, and Military Affairs on S.C.R. No. 8

The purpose and intent of this measure is to request Hawaii's Congressional delegation to support the efforts of the National Women's History Museum to secure a permanent home in Washington, D.C., for a museum that will highlight the important role women have played in shaping the United States.

Your Committees received testimony in support of this measure from one individual.

Your Committees find that there are numerous museums dedicated to various issues and people of interest in Washington, D.C., but no national museum exists that is dedicated solely to women's history. Establishing a presence near the National Mall in the nation's capital would ensure that women's sacrifices and contributions throughout America's history remain visible and relevant to our younger generations. This measure requests Hawaii's Congressional delegation to support the efforts of the National Women's History Museum to secure a permanent home in Washington, D.C., for a museum that will highlight the important role women have played in shaping the nation.

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 concur with the intent and purpose of S.C.R. No. 8 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 1 (Slom).

SCRep. 3155 (Joint) Commerce and Consumer Protection and Economic Development and Technology on S.C.R. No. 97

The purpose and intent of this measure is to request the Insurance Division of the Department of Commerce and Consumer Affairs to convene a working group to explore the creation of a web services-based database program to track uninsured motorists.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Insurers Council, State Farm Insurance Companies, and Property Casualty Insurers Association of America.

Your Committees find that motor vehicle registration in Hawaii is managed by the counties, so there is no statewide motor vehicle registration database and no agency in the State that currently monitors uninsured motorists. This measure would request the

convening of a working group to study the feasibility of establishing a program to track uninsured motorists and enforce penalties or sanctions against violators.

Your Committees further find that the City and County of Honolulu currently has a web services-based database that contains certain motor vehicle licensing information. Your Committees note that setting up a web services-based database program to track uninsured motorists would require input and assistance from the county motor vehicle and licensing divisions, and believe it is appropriate for the Administrator of the Motor Vehicle and Licensing Division of the City and County of Honolulu to be a member of the working group. Discussions between the working group and the Chief Information Officer of the City and County of Honolulu would also be beneficial, as the Chief Information Officer is familiar with the existing county web services-based database.

Your Committees also find that other states have come up with alternative solutions for addressing concerns over uninsured motorists, including laws that prohibit uninsured motorists from collecting non-economic damages after an accident in certain circumstances. The working group should therefore be encouraged to explore other alternatives and funding sources that may facilitate a reduction in the number of uninsured motorists in the State.

Your Committees conclude that this measure prudently requests a review of and research on the feasibility of establishing a web services-based database program before any legislation is implemented.

Your Committees have amended this measure by:

- (1) Requesting the Insurance Commissioner, rather than the Insurance Division, to convene the working group;
- (2) Amending the membership of the working group to more accurately represent interested stakeholders and parties;
- (3) Permitting the working group to form investigative committees and bring in additional stakeholders and interested parties, as appropriate;
- (4) Encouraging the working group to consult with the Chief Information Officer for the City and County of Honolulu, or another appropriate party who has familiarity with a web services-based database program at the county level;
- (5) Clarifying that the working group may explore other alternatives or ways to reduce the number of uninsured motorists in the State, including alternative financing options;
- (6) Requesting the Legislative Reference Bureau to submit a final report of the working group's findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013; provided that the working group transmits a draft report of its findings and recommendations, including any proposed legislation, to the Legislative Reference Bureau no later than November 1, 2012;
- (7) Amending the title and other findings for accuracy; 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 Commerce and Consumer Protection and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 97, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 97, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (Slom, Solomon, Taniguchi).

SCRep. 3156 Transportation and International Affairs on S.C.R. No. 73

The purpose and intent of this measure is to urge the United Nations to grant Taiwan participation as an observer in the United Nations Framework Convention on Climate Change Conference of the Parties meetings.

Your Committee received testimony in support of this measure from the University of Hawaii at Manoa School of Ocean and Earth Science and Technology, University of Hawaii at Manoa Department of Meteorology, and Hawaii State Climate Office at the University of Hawaii at Manoa.

Your Committee finds that the United Nations Framework Convention on Climate Change Conference of the Parties is a key instrument to combat global warming, which acknowledges that the global nature of climate change calls for the widest possible cooperation of nations. Taiwan is a developed and highly industrialized country. Taiwan is eager and prepared to join the international community in order to enhance its own energy efficiency and concomitantly that of the world.

Although the Republic of China, commonly known as Taiwan, is classified as an industrialized nation, that country has yet to be permitted to participate in the United Nations Framework Convention on Climate Change. As the world's largest LED manufacturer and the second largest solar cell manufacturer, Taiwan's green energy industry is helping to significantly reduce global carbon emissions and enhance energy efficiency.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 73 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 3157 Transportation and International Affairs on S.R. No. 32

The purpose and intent of this measure is to urge the United Nations to grant Taiwan participation as an observer in the United Nations Framework Convention on Climate Change Conference of the Parties meetings.

Your Committee received testimony in support of this measure from the University of Hawaii at Manoa School of Ocean and Earth Science and Technology, University of Hawaii at Manoa Department of Meteorology, and Hawaii State Climate Office at the University of Hawaii at Manoa.

Your Committee finds that the United Nations Framework Convention on Climate Change Conference of the Parties is a key instrument to combat global warming, which acknowledges that the global nature of climate change calls for the widest possible cooperation of nations. Taiwan is a developed and highly industrialized country. Taiwan is eager and prepared to join the international community in order to enhance its own energy efficiency and concomitantly that of the world.

Although the Republic of China, commonly known as Taiwan, is classified as an industrialized nation, that country has yet to be permitted to participate in the United Nations Framework Convention on Climate Change. As the world's largest LED manufacturer and the second largest solar cell manufacturer, Taiwan's green energy industry is helping to significantly reduce global carbon emissions and enhance energy efficiency.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 32 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 3158 (Joint) Energy and Environment and Water, Land, and Housing on S.C.R. No. 64

The purpose and intent of this measure is to urge the Public Land Development Corporation to work with the Department of Land and Natural Resources to develop and implement geothermal projects on public trust land on the Islands of Maui and Hawaii.

Your Committees received testimony in support of this measure from the Public Land Development Corporation; Pacific Resource Partnership; Association of Hawaiian Civic Clubs; Innovations Development Group; Indigenous Consultants, LLC; and one individual. Your Committees received testimony in opposition to this measure from the Office of Hawaiian Affairs.

Your Committees find that geothermal exploration has the potential to yield geothermal energy, transforming Hawaii from a fossil-fuel-dependent state to a state that embraces renewable energy. Geothermal energy is indigenous, efficient, renewable, and stable. Your Committees note that the Hawaii Clean Energy Initiative sets a goal of forty percent of all electricity generation and delivery coming from renewable sources by the year 2030.

Your Committees have amended this measure by:

- (1) Amending its title to clarify that the Public Land Development Corporation is urged to first identify public trust land on the Islands of Hawaii and Maui with geothermal resources that may be developed; 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 Water, Land, and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 64, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 64, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Slom, Tokuda).

SCRep. 3159 Economic Development and Technology on S.C.R. No. 116

The purpose and intent of this measure is to approve the selection of Daniel Kahikina Akaka to be inducted into the Aloha Order of Merit.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Kewalo Hawaiian Homestead Community Association, Waianae Kai Homestead Community Association, Waiehu Kou IV Homestead Association, Sovereign Councils of the Hawaiian Homelands Assembly, Sovereign Moku-puni Council O Kauai, Sovereign Moku-puni Council O Maui, Sovereign Moku-puni Council O Molokai, Sovereign Moku-puni Council O Oahu, and two individuals.

Your Committee finds that during his long and distinguished career in public service, Daniel Kahikina Akaka has demonstrated the Aloha Spirit in his commitment to bettering the State. His service to the nation in the United States Army, his service to the children of Hawaii as an educator, his efforts to abate poverty as the Director of the Office of Economic Opportunity, and his unwavering devotion to the people of Hawaii as a member of the United States Congress, have brought honor to Mr. Akaka, his family, and the people of the State of Hawaii. Your Committee further finds that as the first Senator of Native Hawaiian ancestry to serve in the United States Senate, Senator Akaka has integrated Native Hawaiian values at the highest level of government and consistently advocated for justice for Native Hawaiians.

Your Committee is in agreement that Daniel Kahikina Akaka's distinguished service and leadership make him highly deserving of induction into the Aloha Order of Merit.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 116 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Baker, Solomon).

SCRep. 3160 (Joint) Economic Development and Technology and Water, Land, and Housing on S.C.R. No. 141

The purpose and intent of this measure is to declare the first week of October as Hawaii Fishing and Seafood Week, and to encourage the people of Hawaii to recognize and participate in activities that celebrate the importance of fishing and seafood traditions in Hawaii during Hawaii Fishing and Seafood Week.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, United Fishing Agency, Hawaii Aquaculture and Aquaponics, Alii Holo Kai, Hawaii Goes Fishing, Hawaii Nearshore Fishermen, Miso Pelagic Nearshore Fisheries, Fishing Tales with Mike Sakamoto, Hawaii Cattlemen's Council, and twenty-seven individuals.

Your Committees find that the Hawaii Fishing and Seafood Festival has been a free annual October event since 2006, held at Pier 38, Honolulu Fishing Village. The event, which features fishing supply and food vendors, fish displays, fishing demonstrations and presentations, fishing and United States Coast Guard vessel tours, and interactive games, has grown in popularity since its inception, with attendance reaching over 20,000. The popularity of the Festival represents the significance and rich cultural traditions of fishing and seafood in Hawaii.

Your Committees note that the Hawaii Fishing and Seafood Festival, which is held on the second Sunday in October, follows the popular Children and Youth Day, which is held the first Sunday in October. Designating the Monday following Children and Youth Day through the subsequent Sunday in October as Hawaii Fishing and Seafood Week will provide more opportunities for Hawaii residents and visitors to enjoy these family-oriented events.

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 concur with the intent and purpose of S.C.R. No. 141 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 4 (Baker, Shimabukuro, Solomon, Tokuda).

SCRep. 3161 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 10

The purpose and intent of this measure is to support the repeal of combat exclusionary rules.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Hawaii State Democratic Women's Caucus, American Civil Liberties Union of Hawaii, Hawaii Women's Coalition, and five individuals. Testimony in opposition to this measure was received from the Military Officers Association of America, Hawaii Chapter.

Your Committee finds that military policy provides that women cannot be assigned to units whose primary mission is to engage the enemy. These policies are not based on women's proven abilities. Where and how women serve in the military should be based on ability and training, not gender. In today's all-volunteer force, women have accepted the challenges, responsibilities, and dangers of military service, and have proven themselves accordingly time and time again.

Your Committee has amended this measure by:

- (1) Amending the title for accuracy; and
- (2) 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 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. 10, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 10, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Espero, Kidani, Ryan). Noes, none. Excused, 1 (Slom).

SCRep. 3162 Public Safety, Government Operations, and Military Affairs on S.R. No. 10

The purpose and intent of this measure is to support the repeal of combat exclusionary rules.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Hawaii State Democratic Women's Caucus, American Civil Liberties Union of Hawaii, Hawaii Women's Coalition, and five individuals. Testimony in opposition to this measure was received from the Military Officers Association of America, Hawaii Chapter.

Your Committee finds that military policy provides that women cannot be assigned to units whose primary mission is to engage the enemy. These policies are not based on women's proven abilities. Where and how women serve in the military should be based on ability and training, not gender. In today's all-volunteer force, women have accepted the challenges, responsibilities, and dangers of military service, and have proven themselves accordingly time and time again.

Your Committee has amended this measure by:

- (1) Amending the title for accuracy; and
- (2) 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 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. 10, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 10, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Espero, Kidani, Ryan). Noes, none. Excused, 1 (Slom).

SCRep. 3163 Commerce and Consumer Protection on H.B. No. 2409

The purpose and intent of this measure is to authorize the Director of Commerce and Consumer Affairs to enforce certain federal laws that protect military members and their families from abusive lending practices.

Your Committee received testimony in support of this measure from the Office of Consumer Protection and the United States Department of Defense State Liaison Office.

Your Committee finds that members of the armed forces may be particularly vulnerable to abusive lending practices. The United States Department of Defense has requested assistance from states to enforce certain consumer protection regulations for service members and their dependents.

Although Hawaii's payday lending law, codified as chapter 480F, Hawaii Revised Statutes, affords significant protections to consumers, certain federal laws and regulations offer protections specific to service members and their families that are not found in chapter 480F. This measure provides the Office of Consumer Protection with the authority to enforce these additional federal consumer protections and to enter into an agreement to access the Military Sentinel Network, a useful database maintained by the Federal Trade Commission.

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. 2409, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Green, Solomon).

SCRep. 3164 Commerce and Consumer Protection on H.B. No. 994

The purpose and intent of this measure is to ensure uniformity and fairness in the covered loss deductible provision of the Insurance Code by excluding benefits paid or incurred under the workers' compensation law in automobile accident cases from the covered loss deductible requirements.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Property Casualty Insurers Association of America.

Your Committee finds that under the covered loss deductible provision of Hawaii's motor vehicle insurance laws, a motor vehicle insurance claimant's recovery is reduced by \$5,000 or the amount of personal injury protection benefits incurred, whichever is greater, up to the maximum limit. The purpose of the covered loss deductible is to set a reasonable standard for litigation of legitimate claims and discourage frivolous lawsuits in automobile accident cases, by preventing a claimant who already received a recovery for medical expenses from an automobile insurer under personal injury protection medical coverage provisions of an automobile insurance policy from receiving an additional windfall in recovery for medical expenses in injury awards.

According to previous testimony on this measure, under existing workers' compensation laws, an automobile accident victim must repay the workers' compensation insurer for medical, wage loss, and permanent disability payments paid for by the workers' compensation insurer if a judgment, settlement, or award is given to the victim, with payment being deducted from the judgment, settlement, or award. However, the personal injury protection medical coverage of an automobile insurance policy is allowed to deduct the amount of medical expenses from a judgment, settlement, or injury award. Your Committee further finds that this measure addresses this double reduction of awards by excluding benefits paid or incurred under the workers' compensation law in automobile accident cases from the covered loss deductible requirements.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 994, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Green, Solomon).

SCRep. 3165 Commerce and Consumer Protection on H.B. No. 1868

The purpose and intent of this measure is to specify that any telecommunications carrier may charge a rate higher than the filed tariff rate, other than for basic exchange service, without obtaining approval from the Public Utilities Commission.

Your Committee received testimony in support of this measure from Hawaiian Telecom. Your Committee received testimony in opposition to this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from TW Telecom of Hawaii LP.

Your Committee finds that dramatic technological changes within the telecommunications industry have resulted in increased telecommunications options for consumers. This measure allows a telecommunications carrier to adjust a rate for any retail telecommunications service, other than basic exchange service, to a rate that is higher than the current filed tariff rate for that service without approval from the Public Utilities Commission. The current Public Utilities Commission approval requirement for any increase in rates to retail telecommunications basic exchange service, such as single-line residence and business service and access to 911 and operator services, remains the same. Your Committee further finds that this measure will continue the State's effort to level the regulatory playing field in retail telecommunications services and ensure that Hawaii's telecommunications marketplace remains vibrant and strong for Hawaii consumers.

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. 1868, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Green, Solomon).

SCRep. 3166 Education on Gov. Msg. Nos. 738, 739, 742, 743, 744, 745, and 746.

Recommending that the Senate advise and consent to the nominations of the following:

CENTER FOR NURSING ADVISORY BOARD

G.M. No. 738 FRANCISCO CONDE II, for a term to expire 6-30-2016;

G.M. No. 739 ART GLADSTONE, for a term to expire 6-30-2013;

G.M. No. 742 BARBARA KOOKER, for a term to expire 6-30-2013;

G.M. No. 743 SUSAN LEE, for a term to expire 6-30-2014;

G.M. No. 744 PATRICIA NISHIMOTO, for a term to expire 6-30-2015;

G.M. No. 745 LANI TSUNEISHI, for a term to expire 6-30-2015; and

G.M. No. 746 SUSAN YOUNG, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Francisco Conde II, Art Gladstone, Barbara Kooker, Susan Lee, Patricia Nishimoto, Lani Tsuneishi, and Susan Young to possess the requisite qualifications to be nominated to the Center for Nursing Advisory Board.

FRANCISCO CONDE II

Your Committee received testimony in support of the nomination of Francisco Conde II from the State Department of Health, Chronic Disease Management and Control Branch's Comprehensive Cancer Control Program; Nursing Advocates and Mentors, Inc.; Director of the Hawaii State Center for Nursing; and fifteen individuals.

Your Committee finds that Mr. Conde received a Bachelor's degree in Nursing, Master's degree in Nursing, and Doctorate of Philosophy in Nursing from the University of California at Los Angeles.

Mr. Conde is currently an Advanced Practice Registered Nurse in Oncology at The Queen's Medical Center and is an Affiliate Associate Professor at the University of Hawaii School of Nursing and Dental Hygiene.

Mr. Conde is the recipient of numerous awards and honors, including winning the Nurse Faculty Award at the University of Hawaii on four separate occasions.

Your Committee further finds that Mr. Conde is currently an interim member of the Center for Nursing Advisory Board and his clinical practice, research, teaching, and educational experience make him highly qualified to continue his work on the Board.

ART GLADSTONE

Your Committee received testimony in support of the nomination of Art Gladstone from the Healthcare Association of America; American Organization of Nurse Executives, Hawaii Chapter; Director of the State Center for Nursing; and six individuals.

Your Committee finds that Mr. Gladstone is currently the Chief Operating Officer of Straub Clinic and Hospital. He also serves as the Chief Nurse Executive for Hawaii Pacific Health.

Mr. Gladstone is an active volunteer and serves on various health care-related and community boards. He is a member and past-President of the American Organization of Nurse Executives and the President-elect of the Legacy of Life Hawaii Board. He also volunteers his time with the Hawaii Center for Nursing Recruitment Collaborative, Aiea Hospital Scholarship Committee, Arthritis Foundation, and Rotary Club of Pearlridge.

Mr. Gladstone is a leader in the health care industry and a strong advocate for the nursing profession. Mr. Gladstone's experience as a registered nurse and health care administrator will be beneficial to the Center for Nursing Advisory Board.

BARBARA KOOKER

Your Committee received testimony in support of the nomination of Barbara Kooker from the American Organization of Nurse Executives, Hawaii Chapter; Director of the Hawaii State Center for Nursing; and five individuals.

Your Committee finds that Ms. Kooker received a Bachelor's degree in Nursing, Master's degree in Public Health, Master's degree in Nursing, and Doctorate of Philosophy in Nursing from the University of Hawaii.

Ms. Kooker is currently a Nurse Researcher at The Queen's Medical Center. Ms. Kooker has served as a Professor and Director of the University of Hawaii School of Nursing and Dental Hygiene.

Your Committee further finds that Ms. Kooker has extensive experience in the public and private sectors. She is a distinguished clinician, researcher, and nurse educator. Her collaborative spirit and dedication to the profession of nursing make her an excellent addition to the Center for Nursing Advisory Board.

SUSAN LEE

Your Committee received testimony in support of the nomination of Susan Lee from the Director of the Hawaii State Center for Nursing and thirteen individuals.

Your Committee finds that Ms. Lee received a Bachelor's degree in Nursing from D'Youville College.

Ms. Lee has been a registered nurse for thirty-five years. She is currently a Registered Professional Nurse at Leahi Hospital and the Director of the Oahu Region Employee Health Office. She also serves as an after-hour call nurse with St. Francis Home Care Services. Ms. Lee is also an instructor for the facility-based Compassionate Caring and Continuous Quality Improvement Program.

Your Committee further finds that Ms. Lee has experience in many different areas of nursing and has been actively involved in nursing education, recruitment, and retention. Ms. Lee's wealth of experience and her extensive commitment to the nursing profession make her an invaluable member of the Center for Nursing Advisory Board.

PATRICIA NISHIMOTO

Your Committee received testimony in support of the nomination of Patricia Nishimoto from the Director of the Hawaii State Center for Nursing and seven individuals.

Your Committee finds that Ms. Nishimoto received a Bachelor's degree in Nursing from the University of Maryland, Walter Reed Army Institute of Nursing. She received a Master's degree in Public Health from the University of Hawaii and a Doctorate of Philosophy in Nursing from the University of California at San Francisco.

Ms. Nishimoto has over thirty-nine years of experience as a nurse. She is currently an Adult Oncology Clinical Nurse Specialist at Tripler Army Medical Center. Ms. Nishimoto also has many years of teaching experience at the University of Hawaii, Hawaii Pacific University, and Tripler Army Medical Center.

Your Committee finds that Ms. Nishimoto's knowledge and expertise in nursing and health care make her an outstanding addition to the Center for Nursing Advisory Board.

LANI TSUNEISHI

Your Committee received testimony in support of the nomination of Lani Tsuneishi from the Hawaii Health Systems Corporation; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Director of the Hawaii State Center for Nursing; and one individual.

Your Committee finds that Ms. Tsuneishi received a Bachelor's degree in Nursing from the California State University at Los Angeles. She received a Master's degree in Advanced Practice Nursing, specializing in psychiatric and mental health, from the University of Hawaii.

Ms. Tsuneishi is currently a Research Nurse at the Pacific Addiction Research Center. She is also a Clinical Adjunct Professor at Hawaii Pacific University and an Advanced Practice Nurse-Clinical Nurse Specialist at the Hawaii State Hospital.

Your Committee further finds that as a member of the Center for Nursing Advisory Board, Ms. Tsuneishi will be able to assist the Hawaii State Center for Nursing in developing and implementing strategies to recruit and retain nurses in Hawaii.

SUSAN YOUNG

Your Committee received testimony in support of the nomination of Susan Young from the American Organization of Nurse Executives, Hawaii Chapter; Director of the Hawaii State Center for Nursing; and eight individuals.

Your Committee finds that Ms. Young received an Associate's degree in Nursing from the Ocean County College. She received a Bachelor's degree from Thomas Edison State College and a Master's degree in Health Services Administration from Central Michigan University. Ms. Young received a Doctorate degree in Health Care Administration from the Medical University of South Carolina.

Ms. Young is currently the Director of Quality and Regulatory Issues for the Healthcare Association of Hawaii. In addition, Ms. Young is an adjunct faculty member of the A.T. Still University School of Health Management and the University of Phoenix.

Based on her varied clinical and health care administrative roles throughout her thirty years of nursing, your Committee believes that Ms. Young will provide a unique perspective as a member of the Center for Nursing Advisory Board.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kidani, Taniguchi).

SCRep. 3167 (Majority) Commerce and Consumer Protection on H.B. No. 2078

The purpose and intent of this measure is to:

- (1) Require a nonresident owner who operates a transient accommodation to employ a real estate broker, real estate salesperson, or condominium hotel operator as a consumer protection measure;
- (2) Require condominium, community, and other similar associations to supply the Department of Taxation with information on owners who may be leasing their property as a transient accommodation;
- (3) Require the Department of Taxation and the counties to work together to enforce relevant state and county taxes; and
- (4) Allow a nonresident owner to file a yearly tax clearance in lieu of hiring a real estate broker, real estate salesperson, or condominium hotel operator.

Your Committee received testimony in support of this measure from the Department of Taxation, Hawaii Tourism Authority, Department of Planning and Permitting of the City and County of Honolulu, Waikoloa Vacation Rental Management, Exclusive Getaways, Condominium Rentals Hawaii, Resortciahawaii.com Inc., Garden Island Properties LLC, Property Management Hawaii,

Inc., and five individuals. Your Committee received testimony in opposition to this measure from the Hawaii Association of REALTORS, Rentals by Owner Awareness Association, Southland Real Estate Group, South Maui Condos Direct Rental Network, Bridges to Paradise Rentals Inc., Sunset Shores Maui, Valley Isle Resort Rental Owners Group, and numerous individuals. Your Committee received comments on this measure from the Hawaii Real Estate Commission.

Your Committee finds that this measure is intended to allow everyone who rents a transient accommodation in the State to have their rental revenues identified, so that tax treatment can be applied equally to all and state tax collection compliance can be maximized. Although some testifiers have asserted that this measure unfairly targets individuals who do not live on the same island as their transient accommodation, your Committee believes this is an incorrect assumption. The intent behind this measure is rooted in current law. Section 521-43(f), Hawaii Revised Statutes, as part of the existing landlord-tenant code, requires an owner who lives without the State or on a different island to designate an agent who resides on the same island where the rental unit is located to act in the owner's behalf.

Section 521-7, Hawaii Revised Statutes, also clearly states that the only exemption from the landlord-tenant code for transient rentals is transient occupancy on a day-to-day basis in a hotel or motel. Since all other transient accommodations are subject to the requirements of the landlord-tenant code, owners of transient accommodations who live without the State or on a different island are already required by law to designate an on-island agent to act on their behalf. Your Committee has heard the concerns raised by a number of individuals regarding the requirement to employ a real estate broker, salesperson, or condominium hotel operator for their transient accommodation. Your Committee has taken these concerns into account and concludes that this requirement should be removed. Amendments are necessary that align the provisions in this measure with existing landlord-tenant law, by requiring any owner who resides without the State or on another island from where the transient accommodation is located to designate an agent residing on the same island where the transient accommodation is located.

Your Committee further finds that designating an on-island agent is an important aspect of consumer protection. A designated agent located on the same island as the rental property is essential in the case of an emergency or natural disaster. An on-island agent is also vital if any questions, concerns, or property issues arise regarding the transient accommodation. Your Committee notes that amendments to this measure are also necessary to clarify the scope and duties of a designated agent. An agent for a transient accommodation cannot perform any duties of a real estate agent or broker without a license and may only take care of one property.

Requiring relevant information about owners and designated agents of owners to be provided to the Department of Taxation will aid in the enforcement of applicable state and county tax laws. This measure will require the Department of Taxation and the counties to work together to further the enforcement of relevant tax laws. Your Committee notes that certain amendments to this measure are necessary to clarify what information must be provided to the Department of Taxation.

Your Committee additionally finds that section 237D-4, Hawaii Revised Statutes, requires anyone engaged in the furnishing of transient accommodations to register with the Department of Taxation. Upon registration, the Department issues the taxpayer a registration identification number. Requiring owners to post their registration identification number on any advertisement or solicitation for a transient accommodation in the State will offer assurances to anyone seeking to rent a transient accommodation that the property is legal and the owner is in compliance with all applicable state and county laws.

Your Committee further finds it is important for the Department of Taxation to include information relating to designated agents, registration identification numbers, and other aspects related to compliance with transient accommodation laws on its website. Having this information on the Department's website will ensure that the requirements of this measure are readily apparent to everyone and accessible from a central location.

Your Committee also finds that certain testimony on this measure and other similar measures have referenced the Department of Taxation's 2009-2010 Annual Report. There have been some misinterpretations regarding this report that need to be clarified. The Department's annual reporting of its cases on appeal or in litigation has been mischaracterized as a complete listing of the Department's appeals and litigation cases, and consequently has been misconstrued to mean that the parties named in the cases are less compliant than others. It is inaccurate to assume this, just as it is inaccurate to assume that the mere appearance of the taxpayer's name in the case automatically means the taxpayer has not paid its requisite transient accommodations tax.

Testimony from the Department of Taxation clarifies that a review of the case description in the 2009-2010 Annual Report reveals that most of these cases involve the applicability of the general excise tax, income tax, or both. The main issue is whether the general excise tax applies to the gross receipts received by the management company for an interval ownership (time share) project, or whether a general excise tax exemption available to condominium associations is applicable. In other words, the main issue in the report is concerned with the appropriate tax rate on maintenance fees owed by time share owners - a completely different set of facts and circumstances than what is being addressed in this measure.

Your Committee also notes that transient accommodations management companies tend to hire professional accounting firms or staff who are familiar with the intricacies of chapter 237D, Hawaii Revised Statutes, the transient accommodations tax law. Individual owners, unless they are accountants or have a tax-related background, may not be well-versed about the transient accommodations tax or the State's intricate tax laws. For example, Hawaii is one of only three states that are excise tax-based. It is your Committee's hope that this explanation will help clarify the mischaracterization of the 2009-2010 Annual Report's applicability to this measure.

Your Committee has amended this measure by:

- (1) Requiring any owner who resides without the State or on another island from where the transient accommodation is located to designate an agent residing on the same island where the transient accommodation is located, as required pursuant to subsection 521-43(f), Hawaii Revised Statutes;
- (2) Specifying the scope and duties of a designated agent for a transient accommodation;
- (3) Deleting the requirement for a nonresident owner who operates a transient accommodation located in the nonresident owner's private residence to employ a real estate broker, salesperson, or condominium hotel operator;

- (4) Clarifying that the owner of a transient accommodation shall furnish the name, address, and contact information of the designated agent, rather than information about a real estate broker, salesperson, or condominium hotel operator, to an appropriate association or certain nongovernmental entities;
- (5) Requiring an owner to notify and provide updated information to the appropriate association or nongovernmental entity within sixty calendar days of any change in the name, address, and contact information of the designated agent;
- (6) Clarifying that specific nongovernmental entities shall provide certain relevant information to the Department of Taxation by December 31 of each year, or within sixty calendar days of any change in the relevant information or ownership of the transient accommodation;
- (7) Clarifying that each county shall provide certain relevant information to the Department of Taxation by December 31 of each year, or within sixty calendar days of any change in the relevant information or ownership of the transient accommodation;
- (8) Deleting the requirement for the Department of Taxation to issue a separate registration identification number for each nonresident owner who may be leasing property as transient accommodations;
- (9) Deleting the provision that allowed a nonresident owner to file a yearly tax clearance in lieu of hiring a real estate broker, real estate salesperson, or condominium hotel operator;
- (10) Clarifying that the name and phone number of the designated agent for each transient accommodation shall be included in any transient accommodation contract or written rental agreement and shall be prominently posted in the transient accommodation;
- (11) Requiring the registration identification number issued pursuant to section 237D-4, Hawaii Revised Statutes, to be displayed conspicuously in all advertisements and solicitations on websites regarding transient accommodations for which the registration number is issued;
- (12) Requiring an advertisement for an owner's transient accommodation to include the name and phone number of a designated agent, in certain situations;
- (13) Requiring the Department of Taxation to post on its website certain information to ensure the requirements of this measure are readily apparent and accessible to the public;
- (14) Clarifying that noncompliance will subject a person or entity to the existing penalties under section 231-35, Hawaii Revised Statutes, with exceptions;
- (15) Clarifying that the payment of any penalty assessed under this measure shall be in addition to the requirements under section 237D-9, Hawaii Revised Statutes;
- (16) Deleting the definition of "nonresident owner" and inserting a definition of "relevant information";
- (17) Amending the purpose section to reflect the amended purpose of the measure; and
- (18) Changing the effective date from July 1, 2013, to July 1, 2012.

Your Committee notes that this amended measure ensures that everyone who operates a transient accommodation in the State is in full compliance with existing transient accommodations tax laws, clarifies that the existing consumer protections of the landlord-tenant code extend to transient accommodations, and represents a meaningful solution to the current problem of unregulated transient accommodations operating in Hawaii.

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. 2078, 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. 2078, 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. 3168 Commerce and Consumer Protection on H.B. No. 1967

The purpose and intent of this measure is to make the medical claim conciliation process less adversarial by emphasizing inquiry, conciliation, and settlement and renaming the medical claim conciliation panels as medical inquiry and conciliation panels.

Your Committee received testimony in support of this measure from the Hawaii Medical Association. Your Committee received comments on this measure from the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs.

Your Committee finds that the shortage of physicians in Hawaii is caused in part by the high malpractice insurance costs and an unfriendly liability system.

Your Committee further finds that this measure will reduce the current adversarial nature of the medical claims conciliation process and emphasize its originally intended conciliation role, facilitate communication between parties, and encourage amicable resolution of disputes between doctors and patients. This measure also represents an effort to reduce Hawaii's medical liability costs and provide greater access to care for Hawaii's residents.

Your Committee additionally finds that the Office of Administrative Hearings needs sufficient time to obtain and train panel members who are interested in the conciliation process and concludes that a delayed effective date of this measure is necessary. The Office of Administrative Hearings has indicated it will use this time to work with interested parties to administer and fund a training program in conciliation.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2013; 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. 1967, 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. 1967, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Green, Solomon).

SCRep. 3169 Commerce and Consumer Protection on H.B. No. 425

The purpose and intent of this measure is to require the Public Utilities Commission, in exercising its authority and duties, to consider the costs and benefits of a diverse energy portfolio and of maximizing the efficiency of all electric utility assets.

Your Committee received testimony in support of this measure from the Hawaii State Energy Office of the Department of Business, Economic Development, and Tourism; Blue Planet Foundation; and Sierra Club, Hawaii Chapter. Your Committee received comments on this measure from the Public Utilities Commission.

Your Committee finds that much of the focus of Hawaii's clean energy strategy is placed on renewable energy generation. However, it is estimated that in 2030, sixty percent of electricity generation in the State will still come from fossil fuels. Careful consideration and planning must therefore be given to the future supply and pricing of fossil fuels in order to mitigate the negative impacts of high fuel costs on the State's residents and businesses.

Your Committee also finds that an earlier version of this measure, H.B. No. 425, H.D. 2, specifically established a policy that the Public Utilities Commission should examine and consider the costs and benefits of a diverse fossil fuel portfolio and the importance of maximizing the efficiency of all electric utility assets to aid in lowering and stabilizing the cost of electricity. Your Committee additionally finds that H.B. No. 425, H.D. 2, is preferable because it sets a firm policy regarding transitioning from fossil fuel to a renewable energy portfolio, and removes any ambiguity with regard to this important policy statement.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of H.B. No. 425, H.D. 2.

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. 425, 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. 425, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Slom). Noes, none. Excused, 3 (Galuteria, Green, Solomon).

SCRep. 3170 Commerce and Consumer Protection on H.B. No. 2013

The purpose and intent of this measure is to clarify that kickboxing, pankration, muay Thai, and xtreme martial arts are included in the definition of "mixed martial arts".

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs. 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 this measure amends the definition of mixed martial arts to include the regulation of other disciplines that use striking. Your Committee further finds that the disciplines of kickboxing, pankration, muay Thai, and xtreme martial arts are not currently covered under chapter 440E, Hawaii Revised Statutes. Consequently, there is no requirement for contestants' blood work or the presence of licensed physicians, referees, judges, and an ambulance at these events although the risk of injury is just as great as currently regulated mixed martial arts events. Because the purpose of regulating mixed martial arts is to protect the health and safety of the contestants, your Committee concludes it is prudent to expand the definition of mixed martial arts to include other disciplines.

Your Committee notes that the language in this measure is a result of consultation with the Office of the Attorney General and the Regulated Industries Complaints Office.

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

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. 2013, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2013, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Slom). Noes, none. Excused, 3 (Galuteria, Green, Solomon).

SCRep. 3171 Commerce and Consumer Protection on H.B. No. 2257

The purpose and intent of this measure is to allow licensing boards to:

- (1) Allow nonresident military spouse applicants to demonstrate competency in lieu of work experience requirements; and
- (2) Establish procedures to expedite the issuance of licenses, certifications, or permits to nonresident military spouses under certain conditions.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii and Military Officers Association of America, Hawaii Chapter. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and United States Department of Defense State Liaison Office.

Your Committee finds that military families are a unique population who move across state lines and move more frequently than their civilian counterparts. As a result of frequent moves, military spouses who obtain professional degrees or licenses may not remain in one state long enough to progress in their occupations. A lengthy license evaluation process with reviewing and processing delays may leave a military spouse little time to search for employment, placing them at an unfair disadvantage. These delays in employment can cause significant hardship on military families because of a loss of needed income, and may also deprive the State from receiving valuable services and expertise during the military spouse's temporary domicile.

Your Committee further finds that military spouse employment is an important retention and readiness issue, with a majority of married service members reporting that their spouses' ability to maintain a career impacts their decision to remain in the military. The United States Departments of Defense and Veterans Affairs strongly support national efforts to facilitate employment of military spouses. The First Lady of the United States has addressed this issue as well, urging all states to pass legislation that will remove employment barriers, provide gainful employment opportunities, and support the unique needs of military families. Your Committee concludes that Hawaii should be a part of this nationwide effort to assist service members and their spouses.

Your Committee notes that the companion to this measure, S.B. No. 2395, S.D. 1, which was previously passed by the Senate, contains language that permits licensure by endorsement or licensure by reciprocity in certain situations for a nonresident military spouse. S.B. No. 2395, S.D. 1, establishes conditions under which a nonresident military spouse may receive a license by endorsement or license by reciprocity; permits issuance of a temporary license if certain requirements are met; and requires the professional and vocational licensing authority to expedite consideration of the application and issuance of a license by endorsement, license by reciprocity, or temporary license to a qualified nonresident military spouse.

Your Committee additionally finds that the language in S.B. No. 2395, S.D. 1, is preferable because it addresses the issue of spousal licensure in a manner that would best assist many military spouses moving to Hawaii.

Accordingly, your Committee has amended this measure by:

- (1) Replacing its contents with the contents of S.B. No. 2395, S.D. 1; and
- (2) Inserting an effective date of July 1, 2012.

Your Committee understands that every licensing authority in the State has its own statutes and rules, with specific requirements for licensure. Your Committee notes that this amended measure is not intended to require state licensing authorities to accept licensure by endorsement or licensure by reciprocity if a nonresident military spouse is not qualified. Rather, this amended measure is intended to support military families by recognizing nonresident military spouses who are already licensed in another state under licensure requirements that are equivalent to or exceed the requirements mandated by the State for obtaining certain licenses.

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. 2257, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2257, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Slom, Solomon, Taniguchi).

SCRep. 3172 Commerce and Consumer Protection on H.B. No. 1706

The purpose and intent of this measure is to protect condominium owners in Hawaii by requiring owners of residential units who reside out-of-state or on a different island than the unit to provide the managing agent or resident manager of the condominium property with contact information of a rental agent located in the State who is responsible for the management of the unit.

Your Committee received testimony in support of this measure from the Department of Taxation; Hawaii Association of REALTORS; Hawaiian Dream Properties; Exclusive Getaways; Garden Island Properties, LLC; and five individuals. Your Committee received testimony in opposition to this measure from Bridges to Paradise Rentals, Inc.; Sunset Shores Maui; Partners in Paradise; South Maui Condos Owner Direct Rental Network; Hawaii Vacation Rental Owners Association; Sunshine & Rainbows LLC; and numerous individuals.

Your Committee finds that the subject matter addressed in this measure is more appropriately addressed in H.B. No. 2078, S.D. 2.

Your Committee also finds that S.B. No. 2465, S.D. 1, which was previously passed by the Senate, is another measure that is intended to protect condominium owners in Hawaii. S.B. No. 2465, S.D. 1, contains language that would allow petitioners adequate time to be heard at a requested special association meeting and would prohibit an association from adopting rules for association meetings that would otherwise require a vote of the majority of the quorum to change, with certain exceptions.

Your Committee further finds that current rules generally used for special association meetings limit the opportunity for the owners who request these meetings to be heard. S.B. No. 2465, S.D. 1, addresses this concern, while also conforming to the requirements of Robert's Rules of Order Newly Revised, the guidebook on meeting management that governs association and board meetings. Your Committee therefore concludes that S.B. No. 2465, S.D. 1, is an important measure that will protect a condominium owner's right to be heard at special association meetings.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 2465, S.D. 1.

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. 1706, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1706, 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 (Slom). Noes, none. Excused, 3 (Galuteria, Green, Solomon).

SCRep. 3173 Economic Development and Technology on H.B. No. 2266

The purpose and intent of this measure is to specify that the Information Technology Steering Committee shall consist of eight members, with the Chief Information Officer to serve as the chair, and shall include:

- (1) Two members to be appointed by the Senate President;
- (2) Two members to be appointed by the Speaker of the House of Representatives;
- (3) One member to be appointed by the Chief Justice; and
- (4) Two members to be appointed by the Governor.

Your Committee received testimony in support of this measure from the Office of Information Management and Technology and Judiciary.

Your Committee finds that this measure would provide specificity regarding the number of members of the Information Technology Steering Committee to be selected by the Senate President and the Speaker of the House of Representatives. It would also require the Governor and Chief Justice to appoint members, which is currently not authorized.

Your Committee further finds that as currently drafted, this measure establishes an even number of members, which creates the potential for tied votes during decision making. Your Committee has considered recommendations to remedy this issue and has amended this measure to:

- (1) Clarify that the Information Technology Steering Committee shall consist of eleven members, with the Chief Information Officer to serve as the chair, and shall include:
 - (A) Four members to be appointed by the Senate President;
 - (B) Four members to be appointed by the Speaker of the House of Representatives;
 - (C) One member to be appointed by the Chief Justice; and
 - (D) One member to be appointed by the Governor; and
- (2) Change the effective date to upon approval.

Your Committee further finds that since the membership of the Information Technology Steering Committee, as amended, consists of four members appointed by the Senate President and four members appointed by the Speaker of the House of Representatives, no resignations from the existing Information Technology Steering Committee would be necessary.

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. 2266, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2266, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3174 Ways and Means on H.B. No. 1705

The purpose and intent of this measure is to exempt from the state income and general excise taxes, privately-owned nonprofit public water systems that are federally tax-exempt under section 501(c)(12) of the Internal Revenue Code and supply potable water to communities that lack any access to public utility water services.

Your Committee received testimony in support of this measure from one individual.

Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that residents in certain rural areas in the State do not have access to public utility water services. Your Committee also finds that in some of these unserved areas, private nonprofit companies, such as Napu'u Water, Inc., have been established for the sole purpose of supplying potable water to the community. Although these companies are federally tax-exempt under section 501(c)(12) of the Internal Revenue Code, they are still subject to the state income and general excise taxes. Your Committee further finds that, in the interests of fairness and equity, nonprofit companies that are operated exclusively to supply potable water to residential communities that lack any access to public utility water services should receive the same tax treatment as water companies owned by a county or municipality.

Your Committee has amended this measure by:

- (1) Clarifying that the exemption shall apply to privately-owned nonprofit public water systems that supply potable water to residential communities; 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. 1705, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1705, 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, 14. Noes, none. Excused, none.

SCRep. 3175 Ways and Means on H.B. No. 1838

The purpose and intent of this measure is to:

- (1) Authorize the issuance of general obligation bonds to finance project appropriations in specific acts of the Legislature for which the means of financing is designated as general obligation bond funds or reimbursable general obligation bond funds; and
- (2) Make a declaration of findings regarding the authorizations as required by the Constitution of the State of Hawaii.

Written testimony in support of the measure was submitted by the Department of Budget and Finance.

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 that the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

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.

Your Committee has amended this measure by:

- (1) Changing references to the General Appropriations Act of 2012 and the Judiciary Appropriations Act of 2012 to the Supplemental Appropriations Act of 2012 and the Judiciary Supplemental Appropriations Act of 2012, respectively, and inserting the appropriate House Bill number reference for each measure;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1838, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1838, 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. 3176 (Joint) Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on H.B. No. 2601

The purpose and intent of this measure is to clarify those persons authorized to serve legal process and reserve the authority to serve criminal process to sheriffs, deputy sheriffs, and police officers.

Your Committees received testimony in support of this measure from the Department of Public Safety. Testimony in opposition was received from the Honolulu Prosecuting Attorney.

Your Committees find that this measure authorizes the service of certain civil process by a person authorized by the rules of court and reserves the authority to serve criminal process to the sheriff, deputy sheriff, or police officers. This measure makes consistent the relevant service of process statutes and accommodates court rules authorizing service of process.

Your Committees have amended this measure by amending the language that reserved the authority to serve criminal process to sheriffs, deputy sheriffs, and police officers to instead reserve authority to serve criminal summons to persons authorized to serve criminal summons in accordance with rules of court.

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. 2601, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2601, H.D. 3, 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, 1 (Baker).

SCRep. 3177 (Joint) Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on H.B. No. 2599

The purpose and intent of this measure is to require each reentry intake service center for adults to:

- (1) Provide pretrial assessments on adult offenders that are consented to or that are ordered by the court, instead of preparing presentence assessments; and
- (2) Provide continuing supervision and control of persons ordered to be placed on pretrial supervision by the court and persons ordered by the Director of Public Safety.

Your Committees received testimony in support of this measure from the Department of Public Safety.

Your Committees find that this measure defines how pretrial assessments are initiated and provides statutory authority to the Department of Public Safety to supervise pretrial defendants released from custody by the courts. Under the existing statute, the supervision of pretrial defendants released to the community by the courts is not listed as a function of the Department. The

recommended changes to the statute as contained in this measure were not specifically addressed when the pretrial functions were transferred from the Judiciary to the Department under the Hawaii Correctional Master Plan in 1973.

The intake service center has not been involved in the presentence investigation and report process for about thirty years. This measure codifies the current assignments and duties of the Department and the Judiciary.

Your Committees have amended this measure by:

- (1) Adding an amendment to Act 24, Special Session Laws of Hawaii 2009, to clarify the duties and composition of the Reentry Commission, as contained in S.B. No. 2866, S.D. 1, and changing the sunset date of the commission to December 1, 2016;
- (2) Changing the effective date to June 29, 2012; 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2599, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2599, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 1 (Baker).

SCRep. 3178 (Joint/Majority) Economic Development and Technology and Ways and Means on H.B. No. 2338

The purpose and intent of this measure is to authorize the Department of Land and Natural Resources to lease public lands by direct negotiation and without recourse to public auction for purposes of developing creative media facilities, with some restrictions.

Prior to the hearing, your Committees made available a proposed S.D. 1, which deleted the contents of this measure and replaced them with language from S.B. No. 3050, S.D. 2, to:

- (1) Assign to the Hawaii Tourism Authority the responsibilities for film, television, digital, and new media development, including consolidated permit processing, and establish a film, television, digital, and new media development special fund;
- (2) Repeal the film industry activities within the Department of Business, Economic Development, and Tourism and make conforming amendments;
- (3) Require the Hawaii Tourism Authority to restructure the debt service for state obligations related to the Hawaii Convention Center; and
- (4) Appropriate funds from the savings from any such restructuring to be deposited into the film, television, digital, and new media development special fund for fiscal year 2012-2013 and fiscal year 2013-2014, and appropriate funds from the special fund to the Hawaii Tourism Authority for implementation of the film, television, digital, and new media development activities.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Business, Economic Development, and Tourism; Hawaii Tourism Authority; Group 70 International; and one individual. Your Committees received testimony in opposition to the proposed S.D. 1 from the Hawaii Film and Entertainment Board, SAG-AFTRA One Union, the International Alliance of Theatrical Stage Employees (IATSE) Mixed Local 665, the American Federation of Musicians (AFM) Local 677, and the Hawaii Teamsters Local 996. Your Committees received comments on the proposed S.D. 1 from the Department of Budget and Finance, Department of Human Resources Development, Department of Taxation, and Tax Foundation of Hawaii.

Your Committees find that this measure is one of several alternatives under consideration as the State evaluates the costs and benefits of the film and television production tax credits under Act 88, Session Laws of Hawaii 2006, as well as additional related tax credits and initiatives to encourage the continued growth of the industry.

Your Committees further find that the proposed S.D. 1 for this measure would provide a structure to optimize the development of the tourism and the film, television, digital, and new media industries by pooling diverse and fragmented resources to market and nurturing their growth. The proposed S.D. 1 would do so by creating a sound base that can be built upon to develop the programs and infrastructure to expand Hawaii's opportunities in film, television, digital, and new media.

Your Committees have amended this measure by adopting the proposed S.D. 1.

Your Committees are encouraged by the strong support for and interest in the various alternatives under consideration and urge the continued review and discussion of the merits of this and other measures before the Legislature.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2338, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2338, 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, 12. Noes, 1 (Slom). Excused, 3 (Baker, Dela Cruz, Solomon).

SCRep. 3179 (Joint) Human Services and Judiciary and Labor on H.B. No. 2537

The purpose and intent of this measure is to allow the Department of Human Services to disclose confidential records pursuant to a court order, after an in camera review of the records by the court, upon a showing of good cause by the party seeking the release of the records.

Your Committees received testimony in support of this measure from the Department of Human Services. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the Department of Human Services is prohibited from disclosing confidential records and information except to specified persons or entities for specified purposes pursuant to section 346-10, Hawaii Revised Statutes. This measure provides an opportunity for a party that is not explicitly stated as an allowed recipient of confidential information under section 346-10, Hawaii Revised Statutes, to receive the confidential information if the court, after an in camera review, determines there is good cause.

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. 2537, 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, 6. Noes, none. Excused, 1 (Slom).

SCRep. 3180 (Joint) Human Services and Economic Development and Technology on H.B. No. 2133

The purpose and intent of this measure is to designate the month of October as Domestic Violence Awareness Month.

Your Committees received testimony in support of this measure from the Hawaii State Coalition Against Domestic Violence, Hawai'i Women's Coalition, and nine individuals.

Your Committees find that in 1999, there were eight thousand thirteen reported cases of domestic violence and in 2005, at least five (sixteen percent) of the murders that occurred in Hawaii were related to domestic violence. This measure designates the month of October as "Domestic Violence Awareness Month" to promote public awareness of domestic violence as a significant societal, public health, and criminal justice problem.

As affirmed by the records of votes of the members of your Committees on Human Services 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. 2133, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 2 (Baker, Solomon).

SCRep. 3181 Judiciary and Labor on H.B. No. 2454

The purpose and intent of this measure is to implement a rap back program that allows entities that are statutorily authorized to obtain criminal history record checks on applicants, including employment and licensing applicants, to be notified if any applicants are arrested subsequent to their initial record checks.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of Human Services, Department of Health, and Hawaii Health Systems Corporation.

Your Committee finds that Act 117, Session Laws of Hawaii 2011, authorized the State to indefinitely retain fingerprints of employment and licensing applicants for whom criminal history record checks are authorized statutorily in order for the State to implement a statewide "Rap Back" program. The rap back program informs authorized recipients, such as criminal justice agencies and government agencies servicing Hawaii's vulnerable populations, when an individual, who has previously undergone a fingerprint-based background check and whose fingerprints are retained by a criminal history repository after the check, is subsequently arrested. The notified authorized recipient may take appropriate action accordingly. Rap back programs at the state and national levels allow Hawaii's employers and licensing agencies to make better and faster decisions that affect the safety and well-being of Hawaii's vulnerable populations, such as children, the elderly, and the disabled.

Although the original plan was to develop and implement the fingerprint retention system prior to implementing the rap back program, the State currently has an opportunity to apply for a grant from the Centers for Medicare and Medicaid Services to develop a background checks system. The grant requires a rap back program. If Hawaii is awarded the grant, work on the rap back program can begin sooner than anticipated. Therefore, this measure amends the law relating to criminal history record checks to implement Hawaii's rap back program in order to meet grant requirements.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of the Attorney General to clarify that the identifying information required by the Federal Bureau of Investigations is that of an applicant or employee; and
- (2) Changing the effective date from January 7, 2059, 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. 2454, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2454, 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. 3182 (Joint) Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing on H.B. No. 2681

The purpose and intent of this measure is to temporarily repeal the requirement that the Conservation and Resources Enforcement Program of the Department of Land and Natural Resources meet law enforcement accreditation or recognition standards of the Commission on Accreditation for Law Enforcement Agencies, Inc., prior to using or obtaining electric guns, related equipment, and training.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and seven individuals. Testimony in opposition was received from the American Civil Liberties Union of Hawaii and one individual.

Your Committees find that while the Department of Land and Natural Resources is committed to obtaining accreditation by the Commission on Accreditation for Law Enforcement Agencies, Inc., the accreditation process has proven itself to be a lengthy and costly effort. In the interim, your Committees realize that the use of electric guns serves to increase the safety of officers and the public. According to testimony of the Department of Land and Natural Resources, the Department is committed to ensuring the proper controls on the use of electric guns and following established policies, procedures, and training, which will be strictly managed in accordance with accepted national guidelines.

Your Committees have amended this measure by:

- (1) Extending to June 30, 2018, the deadline by which the Department of Land and Natural Resources must meet the law enforcement accreditation or recognition standards of the Commission on Accreditation for Law Enforcement Agencies, Inc., in the use of electric guns and repealing the language requiring that the accreditation or recognition standards be met prior to obtaining electric guns, related equipment, and training for the use of the electric guns;
- (2) Removing the repeal and reenactment language in the effective date, as it is no longer necessary since the deadline has been inserted into statute; 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 Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2681, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2681, 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 (Fukunaga, Slom, Solomon).

SCRep. 3183 (Joint) Energy and Environment and Commerce and Consumer Protection on H.B. No. 2121

The purpose and intent of this measure is to ensure the cost effectiveness of renewable energy technology projects by:

- (1) Prohibiting a taxpayer from claiming a tax credit for renewable energy technologies for installing a renewable energy system for, or entering into a power purchase agreement with, a county, state, or federal agency; and
- (2) Authorizing the issuance of general obligation bonds to purchase renewable energy systems for state facilities.

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 deletes the contents of this measure and inserts the contents of S.B. No. 2966, S.D. 2. As amended, the proposed S.D. 1 increases the maximum allowable customer-generator capacity for net energy metering systems to two megawatts if the generating facility is sited on property owned or controlled by the State of Hawaii, or one megawatt for all other systems.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Business, Economic Development, and Tourism; Office of the Mayor of the City and County of Honolulu; Department of Design and Construction of the City and County of Honolulu; Department of Water Supply of the County of Hawai'i; Sierra Club; Blue Planet Foundation; Hawaii PV Coalition; Hawaii Renewable Energy Alliance; and one individual. Your Committees received testimony in opposition to the proposed S.D. 1 from the Hawaiian Electric Company. Your Committees received comments on the proposed S.D. 1 from the Public Utilities Commission, Consumer Advocate, and Office of Economic Development of the County of Kaua'i.

Your Committees find that the purpose of net energy metering is to stimulate the development of distributed generation systems, especially solar photovoltaic systems. By offering a credit at full retail rates and generous tax incentives, residential and commercial installations of solar photovoltaic systems in the State of Hawaii have flourished. Net energy metering will help move the State off its dependence on imported oil, and raising the maximum net energy metering capacity of customer-generators will allow larger facilities to participate in the successful net energy metering program in furtherance of greater energy self-sufficiency for the State.

Your Committees have amended this measure by adopting the proposed S.D. 1.

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 H.B. No. 2121, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2121, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Ihara, Slom, Taniguchi).

SCRep. 3184 (Joint/Majority) Energy and Environment and Ways and Means on H.B. No. 2483

The purpose and intent of this measure is to amend the Hawaii State Planning Act to add climate change adaptation as one of the major areas of statewide concern and establish climate change adaptation priority guidelines to plan for the impacts of climate change and avoid, minimize, or mitigate loss of life, land, and property for future generations.

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 deletes the contents of the measure and inserts:

- (1) The contents of S.B. No. 2511, S.D. 2, which establishes an offset fee, beginning January 1, 2013, for the distribution of single-use checkout bags and directs that fee revenues be used in part to fund programs to protect watersheds and increase resilience to climate change;
- (2) Language that amends the dietary supplement exemption from the deposit beverage container program, pursuant to section 342G-101, Hawaii Revised Statutes, so that deposit beverages that contain caffeine or carbonated water are included in the deposit beverage container program;
- (3) An effective date of July 1, 2012, for the single-use checkout bag fee provisions and January 1, 2013, for the amendment to the deposit beverage container program; and
- (4) Technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees received testimony in support of the proposed S.D. 1 from the Governor's Office; Department of Land and Natural Resources; Sierra Club; Maui Invasive Species Committee; Conservation Council for Hawai'i; Pacific Resource Partnership; Three Mountain Alliance Watershed Partnership; West Maui Mountains Watershed Partnership; Sustainable Coastlines; Coordinating Group on Alien Pest Species; The Trust for Public Land; The Nature Conservancy; Hawaii Food Industry Association; Retail Merchants of Hawaii; Hawaii Green Growth Initiative; Ocean Devotion Hawaii; Surfrider Foundation; Times Supermarket; Safeway; Ferraro Choi and Associates, Ltd.; and eighteen individuals. Your Committees received testimony in opposition to the proposed S.D. 1 from two individuals. Your Committees received comments on the proposed S.D. 1 from the Department of Health, Department of Taxation, Tax Foundation of Hawaii, and Hawaii Foodbank.

Your Committees find that a critical aspect of the proposed S.D. 1 is the investment of fees collected from the single-use checkout bag fee program into the natural area reserve fund, established to implement the purposes of chapter 195, Hawaii Revised Statutes, regarding the protection and management of Hawai'i's natural area reserves. This fund has been spread increasingly thin over recent years to the point where watershed protection has been compromised. To protect land in Hawaii and all that depends on it, the Department of Land and Natural Resources has developed an action plan to double the amount of protected priority watershed areas within the next ten years. This plan, called *The Rain Follows the Forest*, will help stabilize water resources in Hawaii by providing for the necessary stewardship of water resources.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Excluding food donation organizations from the definition of "business" under the single-use checkout bag fee program;
- (2) Beginning January 1, 2014, requiring eighty percent of the fees collected to continue to be deposited into the special account in the environmental management special fund to fund programs to protect watersheds and increase resilience to climate change but also requiring ten percent of the fees collected under the single-use checkout bag fee program to be deposited in specified funds administered by each county in amounts that are proportionate to the ratio of the county's population to the State's population as a whole, and only if a county has appropriated to its respective island-based invasive species committee at least fifty percent of the amount deposited in the specified county fund during the previous calendar year; and
- (3) Inserting an \$800,000 appropriation from the general fund for fiscal year 2012-2013 for administration of the single-use checkout bag fee program, to be expended by the Department of Health.

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. 2483, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2483, 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, 13, Ayes with Reservations (Espero, Kidani, Wakai). Noes, 1 (Slom). Excused, 3 (Chun Oakland, Fukunaga, Kim).

SCRep. 3185 (Majority) Judiciary and Labor on H.B. No. 1666

The purpose and intent of this measure is to promote highway safety by:

- (1) Increasing penalties for criminal offenses of negligent homicide in the second and third degrees and negligent injury in the second degree where the victim is a vulnerable user; and
- (2) Adding definitions for "vulnerable user" in the Penal Code.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Police Department of the City and County of Honolulu, Maui Bicycle Alliance, Hawaii Bicycling League, and three private individuals. Testimony in opposition to this measure was submitted by the Office of the Public Defender. The Department of Transportation submitted comments.

Your Committee finds that Hawai'i's roadways can be dangerous for pedestrians, cyclists, and others who legally use the public right of way without being in a motor vehicle. Unfortunately, when collisions occur between motor vehicles and these individuals, serious injury or death may result. This measure promotes greater street and highway safety by increasing the grade of the criminal penalty of certain negligent homicide and injury offenses.

Your Committee notes the testimony submitted by the Department of the Attorney General that establishing different grades of penalties for the same criminal offense may cause confusion and make it difficult to maintain accurate criminal history records.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Department of the Attorney General, which amend the offenses of negligent homicide in the first degree and second degree and negligent injury in the first degree to include offenses against a vulnerable user and do not establish different grades of penalties for the same criminal offense;
- (2) Specifying under the offense of negligent injury in the first degree that causing, by the operation of a motor vehicle in a negligent manner, serious bodily injury to another person or substantial bodily injury to a vulnerable user constitutes the offense;
- (3) Changing the effective date from January 7, 2059, 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1666, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1666, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Gabbard).

SCRep. 3186 Judiciary and Labor on H.B. No. 2852

The purpose and intent of this measure is to:

- (1) Create a cause of action against any person who maintains a property nuisance that causes injury or damage to another person or property of another;
- (2) Specify the conditions that constitute a property nuisance; and
- (3) Provide exceptions for certain uses, conditions, or activities on the property.

Your Committee received testimony in support of this measure from one individual. Kamehameha Schools submitted comments.

Your Committee finds that this measure provides an effective mechanism to protect residential neighborhoods from individual investors who purchase large blocks of property for the purpose of blighting the neighborhood. This practice is called "block busting" with the goal of lowering the overall property values to make it easier for the investor to buy the rest of the surrounding properties in the neighborhood at a lower price.

Your Committee has amended this measure by:

- (1) Clarifying the conditions or activities that constitute a property nuisance;
- (2) Adding a definition for "visual blight" to provide further clarity; 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. 2852, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2852, 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. 3187 Judiciary and Labor on H.B. No. 2598

The purpose and intent of this measure is to update the pre-sentence investigative process as it relates to convicted defendants by deleting the intake service center as an agency responsible for preparing the pre-sentence diagnosis and report for defendants and for giving notices of the Crime Victim Compensation Act and other specified restitution procedures.

Your Committee received testimony in support of this measure from the Department of Public Safety.

Your Committee finds that this measure updates the law relating to pre-sentence investigation process and reporting by deleting references to intake service centers as entities responsible for these duties. The Department of Public Safety testified that while intake service centers may assist with the pre-sentence investigation process, this responsibility is managed by the Judiciary, which has staff specifically allocated and trained to perform these tasks. Thus, this measure correctly designates pre-sentence investigation and reporting duties to the Judiciary.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2598, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 3188 Judiciary and Labor on H.B. No. 2602

The purpose and intent of this measure is to clarify that a defendant will not earn credit for time served for a subsequent crime while the defendant is serving an imprisonment sentence for a separate, unrelated offense.

Your Committee received testimony in support of this measure from the Department of Public Safety. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that the existing language of and case law related to section 706-671, Hawaii Revised Statutes, has led to ambiguities and inconsistencies by the parties involved in a criminal case. This measure creates uniform application and deters imprisoned offenders from incurring new offenses.

The Office of the Public Defender noted in its testimony that this measure appears unnecessary because similar language is already provided under section 706-671(1), Hawaii Revised Statutes. However, the Department of Public Safety clarified that this measure applies to defendants who are currently in custody and serving an imprisonment sentence. Furthermore, due to plea bargains by prosecutors and defense attorneys, the Department is having problems with correctly applying section 706-671(1), Hawaii Revised Statutes. As a result, the Department is engaged in discussions with the Department of the Attorney General to develop language to clarify and strengthen the law regarding pre-sentence detention credits. Your Committee encourages the Department of Public Safety to provide any recommendations as a result of these discussions to strengthen this measure as it moves through the legislative process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2602, H.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 3189 Judiciary and Labor on H.B. No. 2458

The purpose and intent of this measure is to repeal certain laws under chapter 414D, Hawaii Revised Statutes, the Hawaii Nonprofit Corporations Act, that authorize nonprofit corporations to convert to other legal entities.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that certain laws under the Hawaii Nonprofit Corporations Act do not conform to the Revised Model Nonprofit Corporations Act, which Hawaii's law is based on, and allows the assets of a charitable corporation to be converted and used for non-charitable purposes. These provisions are an invitation to abuse.

Your Committee finds that assets held for charity, whether trust, or corporate form, should be in a "lock box." The charity may dissolve and distribute its assets to other charities, use the assets for purposes of charitable or program services, or sell its assets and use the proceeds to support its charitable purposes. However, allowing charities to convert to a for-profit corporation is antithetical to the concept that charitable assets should be perpetually devoted to charitable uses. Accordingly, this measure ensures that charitable assets will continue to be used for charitable purposes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2458, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 3190 Judiciary and Labor on H.B. No. 2441

The purpose and intent of this measure is to ensure that state child support enforcement laws are in compliance with recently enacted federal laws. Specifically, this measure:

- (1) Clarifies the requirement for new hire reporting to include the date on which services for remuneration were first performed by the employee as part of the information furnished by employers to the Hawaii Child Support Enforcement Agency, a division within the Department of the Attorney General; and
- (2) Clarifies that employers receiving a notice of medical support of a dependent child of a responsible parent have twenty business days after the notice date to transfer the notice to the appropriate plan providing health care coverage and are required to notify the Hawaii Child Support Enforcement Agency when employment of the responsible parent is terminated.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that the federal Claims Resolution Act requires employers to report to the State Directory of New Hires the date on which an employee first performs services for pay. This is an anti-fraud measure aimed at reducing the number of overpayments to individuals receiving unemployment insurance benefits. This measure will allow the State to comply with this new federal reporting requirement, which became effective on June 8, 2011.

Your Committee further finds that amendments to the federal Social Security Act requires employees to transfer a medical support notice twenty days after receiving the notice to the appropriate plan providing health care coverage and requires employers to notify the state child support enforcement agency when employment is terminated. This measure will allow the State to comply with this new federal requirement.

Compliance with these new federal requirements is necessary to maintain eligibility for federal welfare funding and federal funding of child support enforcement programs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2441, H.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 3191 (Joint/Majority) Judiciary and Labor and Ways and Means on H.B. No. 1744

The purpose and intent of this measure is to clarify the time periods of the salary increase moratorium and salary reductions for legislators, justices, judges, and certain Executive Branch positions that were established by Act 85, Session Laws of Hawaii 2009, as amended by Act 57, Session Laws of Hawaii 2011.

Specifically, this measure:

- (1) Specifies that the salary reductions are effective through June 30, 2013;
- (2) Deletes provisions relating to the restoration of salaries to what they would have been on July 1, 2009, but for the salary reductions provided under Act 85, Session Laws of Hawaii 2009, as amended by Act 57, Session Laws of Hawaii 2011; and
- (3) Deletes provisions relating to the salary commission that convenes in 2012 as unnecessary, inasmuch as existing provisions set forth the scope of the Commission's mandate.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that Act 57, Session Laws of Hawaii 2011, establishes July 1, 2009, through December 31, 2013, as a salary reduction period for all positions under that Act, but applies different salary provisions to those positions after that period. Furthermore, Act 57 also extends the five percent salary reduction until December 31, 2013, for all salaries, but does not address the impact of the reductions on the recommendations to be made by the Commission on Salaries relating to executive and judicial salaries for the period July 1, 2013, through December 31, 2013, thus creating a period of potential conflict between the salaries in effect pursuant to Act 57 and the salaries recommended by the Commission on Salaries that convenes in 2012. This measure clarifies the end date for the salary increase moratorium and salary reductions for legislators, justices, judges, and certain Executive Branch positions that were established by Act 85, Session Laws of Hawaii 2009, as amended by Act 57, Session Laws of Hawaii 2011, to be June 30, 2013.

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. 1744, H.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 13. Noes, 2 (Ihara, Slom). Excused, 3 (Kouchi, Tokuda, Wakai).

SCRep. 3192 (Joint/Majority) Judiciary and Labor and Ways and Means on H.B. No. 1764

The purpose and intent of this measure is to allow an appointing authority to waive the one-year residency requirement of certain appointive officers possessing highly specialized or scientific knowledge and training if no other qualified applicant who does meet the residency requirement is available.

Your Committees received testimony in support of this measure from the Department of Human Resources of the City and County of Honolulu.

Your Committees find that existing law requires that all appointive officers of the State or a county who are employed as department heads and deputies or assistants to department heads be United States citizens and state residents for at least one year. However, the one-year state residency requirement in particular may create difficulties when recruiting to fill positions that require a certain level of highly specialized or scientific knowledge or training. This measure provides an exception to the law under certain circumstances so that positions may be filled with officers possessing the necessary specialized expertise and skills.

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 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. 1764, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1764, 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, 14. Noes, 1 (Kim). Excused, 3 (Kouchi, Tokuda, Wakai).

SCRep. 3193 (Joint/Majority) Judiciary and Labor and Health on H.B. No. 2569

The purpose and intent of this measure is to amend various statutory provisions to reconfirm and clarify the original intent of Act 1, Session Laws of Hawaii 2011. Specifically, this measure:

- (1) Exempts religious facilities from the prohibitions against discrimination in public accommodations;
- (2) Provides uninterrupted rights for a couple who terminates their reciprocal beneficiary relationship and enters into a civil union that is solemnized thereafter within a six-month period, or a couple who entered into a reciprocal beneficiary relationship in Hawaii and subsequently entered into a union outside of Hawaii that is legally recognized as a civil union in Hawaii;
- (3) Clarifies that the rights of property held in tenancy by the entirety to couples who terminated their reciprocal beneficiary relationships and entered into civil unions does not operate to terminate the tenancy by the entirety nor convert the tenancy by the entirety into a tenancy in common;
- (4) Adds clarifying language to the statutory requirements for a valid marriage contract and a valid reciprocal beneficiary relationship;
- (5) Adds clarifying language to the statutory requirements for the solemnization of a civil union, including persons who are authorized to solemnize a civil union and the reporting requirements of a civil union solemnization;

- (6) Recognizes legal unions validly performed in another state jurisdiction as valid civil unions in this State and requires that the union be treated the same as a civil union entered into in this State;
- (7) Authorizes the name change on the certificate of civil union; and
- (8) Confirms that the Family Court has jurisdiction over the divorce, annulment, and separation of a union that is recognized as a civil union in this State.

Your Committees received testimony in support of this measure from the Department of Health, American Civil Liberties Union of Hawaii, Pride at Work Hawaii, Equality Hawaii, Citizens for Equal Rights, and twenty-seven private individuals. Your Committees received testimony in opposition to this measure from the Hawaii Civil Rights Commission, Hawaii Family Forum, Honolulu Pride, Christian Voice of Hawaii, Hawaii Center for the Separation of State and Church, and eight private individuals. Your Committees received comments on this measure from the Department of the Attorney General, Hawaii Catholic Conference, Brigham Young University—Hawaii, and six private individuals.

Your Committees find that Act 1, Session Laws of Hawaii 2011, established the status of civil unions in this State, which granted eligible couples all the same rights, benefits, protections, and responsibilities under law, whether derived from statutes, administrative rules, court decisions, the common law, or any other source of civil law, as are granted to those who contract, obtain a license, and are solemnized pursuant to chapter 572, Hawaii Revised Statutes. Your Committees recognize that a collection of rights, benefits, and obligations applicable to married couples and families are woven into state law and through Act 1, the Legislature intended that these rights and benefits be applied identically to civil union partners. This measure reconfirms and clarifies that intent.

Your Committees have amended this measure by:

- (1) Deleting the exemption for religious facilities from the prohibitions against discrimination in public accommodations;
- (2) Adopting the amendments suggested by the Department of the Attorney General to:
 - (A) Add clarifying language that provides uninterrupted rights for couples holding property in tenancy by the entirety who enter into a new legal relationship simultaneously with or within ninety days after the termination of an earlier legal relationship; provided that no liens were perfected and attached on the property in the interim;
 - (B) Amend language relating to the uninterrupted rights of persons who transition from a reciprocal beneficiary relationship to a civil union, to ensure that the rights held by reciprocal beneficiaries carry over to a civil union; provided that the reciprocal beneficiaries terminated their relationship simultaneously with their entry into a civil union;
 - (C) Extend the rights, benefits, protections, or responsibilities created by the solemnization of a civil union that were not included within a reciprocal beneficiary relationship to be recognized as of the date the civil union was solemnized;
 - (D) Allow couples who terminated their reciprocal beneficiary relationships after October 3, 2011, but before the effective date of this Act, and subsequently entered into civil unions no later than ninety days after their reciprocal beneficiary relationships terminated to have their rights held in the reciprocal beneficiary relationships carry over, uninterrupted to their civil unions, including the rights as a result of holding property as tenants by the entirety; provided that no liens were perfected and attached on the property in the interim, effective retroactive to October 3, 2011; and
 - (E) Allow reciprocal beneficiaries who, prior to the effective date of section 17, enter into a legal union in another jurisdiction that is not marriage as recognized in Hawaii but is equivalent to a civil union under Hawaii law, to have their legal union recognized as a civil union, effective upon approval 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 Judiciary and Labor and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2569, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2569, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 6, Ayes with Reservations (Green, Nishihara). Noes, 2 (Gabbard, Slom). Excused, 2 (Chun Oakland, Wakai).

SCRep. 3194 (Majority) Judiciary and Labor on H.B. No. 341

The purpose and intent of this measure is to:

- (1) Prohibit any employer with one hundred or more employees or a labor organization from barring or discharging from employment, withholding pay from, or demoting an employee because the employee uses accrued and available sick leave, with an exception; and
- (2) Allow any employer with one hundred or more employees or labor organization to bar or discharge from employment, withhold pay from, or demote an employee if the employee is unable to fulfill the essential job functions or requirements of the employee's position.

Prior to the hearing on this measure, your Committee posted a proposed S.D. 1 for review and comment. The proposed S.D. 1 deletes the contents of this measure and inserts language to address the health and safety needs of Hawaii's workers and their families by requiring employers to provide paid sick and safe leave to employees in order to care for themselves or a family member who is ill, needs medical care, or is a victim of domestic violence, sexual assault, or stalking. Specifically, the proposed S.D. 1 creates a new chapter in the Hawaii Revised Statutes to:

- (1) Require employers to:
 - (A) Provide their employees who work for more than an unspecified amount of hours in a year paid sick and safe leave; and

- (B) Allow their employees to accrue a minimum of one hour of paid sick and safe leave for an unspecified number of hours worked and limit, with an unspecified number of hours, the number of accrued paid sick and safe leave hours in a calendar year;
- (2) Establish that an employee's paid sick and safe leave hours begin to accrue at the commencement of employment and allow the employee to use any accrued paid sick and safe leave time after an unspecified period of time;
 - (3) Allow any unused paid sick and safe leave hours to be carried over to the following calendar year, but limit the number of hours that may be used in each calendar year;
 - (4) Entitle an employee to any previously accrued and unused paid sick or safe leave upon transfer to another entity under the same employer or upon separation and reinstatement within an unspecified period of time with the same employer;
 - (5) Establish criteria and procedures by which an employee may use accrued paid sick and safe leave;
 - (6) Establish certain employee rights, provide protections for employees to exercise these rights, and prohibit employers from taking retaliatory or discriminatory action for their employees exercising these rights;
 - (7) Require employers to post notice regarding paid sick and safe leave and the requirements and procedures associated with the leave;
 - (8) Require employers to maintain records documenting the number of hours worked by their employees and the paid sick and safe leave taken by their employees for a period of five years; and
 - (9) Provide enforcement procedures and relief for any violations.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii State Commission on the Status of Women; Hawaii State Coalition Against Domestic Violence; International Longshore and Warehouse Union Local 142; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and three private individuals. Testimony in opposition to the proposed S.D. 1 was submitted by the Department of Human Resources Development; Department of Human Resources of the City and County of Honolulu; The Chamber of Commerce of Hawaii; Hawaii Food Industry Association; Molokai Chamber of Commerce; Hawaii Automobile Dealers Association; Hawaii Business Roundtable; Hawaii Island Contractors Association; Hawaii Water Service Company; Building Industry Association; William C. Loeffler Construction, Inc.; Crazy Shirts; Fair Wind Cruises; Hawaiian Electric Company, Inc.; Maui Electric Company, Ltd.; Friendly Market Center, Ltd.; Marukai Wholesale Mart; Maui Economic Opportunity, Inc.; Ocean Sports; Retail Merchants of Hawaii; Society for Human Resources Management; Waltz Engineering, Inc.; Ito En; Kanoiehua Industrial Area Association; National Federation of Independent Business; Kona-Kohala Chamber of Commerce; Government Employees Insurance Company; Hawaii Island Contractors' Association; Hawaii Pacific Health; Alan Shintani, Inc.; Young Brothers, Limited; Mary Begier Realty; ABC Stores; Kona Zodiac, Ltd.; Hawaii Island Chamber of Commerce; Abbey Vacation Rentals; Tesoro Hawaii; Starwood Hotels and Resorts, Hawaii and French Polynesia; Hawaii Credit Union League; Foodland Super Market, Ltd.; Jack Harter Helicopters; The Coffee Bean & Tea Leaf Hawaii; RMA Sales; Gentry Homes, Ltd.; and one hundred fifty-six private individuals. The Department of Labor and Industrial Relations submitted comments.

Your Committee finds that vacation and sick leave benefits for employees vary from employer to employer. At times, employees must choose between caring for themselves or a family member due to illness and earning income. The proposed S.D. 1 provides for a minimum amount of paid sick and safe leave to allow employees to care for themselves or their family members. Of particular note, the proposed S.D. 1 enables victims of domestic violence, sexual assault, or stalking to participate in legal proceedings, receive medical treatment, or obtain other necessary services while maintaining a sense of financial freedom without the fear of being fired due to taking time off from work.

Your Committee notes the testimony in opposition submitted by the Hawaii Restaurant Association and The Chamber of Commerce of Hawaii which indicated the proposed S.D. 1 will have a negative impact on small businesses due to its "one size fits all" approach. According to their testimony, this broad approach hinders an employer's flexibility in providing paid leave benefits and results in additional direct and indirect costs. Small businesses with fewer than ten employees who do not typically provide paid time off will need to give up to five days off to their employees under the proposed S.D. 1. As a result, an already financially struggling small business may need to choose between providing paid leave benefits to their employees or closing down. Thus, the "one size fits all" approach may not be best suited for different industries with varying workforce needs. However, your Committee emphasizes that the proposed S.D. 1 applies to employers with one hundred or more employees. Thus small businesses with less than one hundred employees are exempt.

Your Committee recognizes that although the proposed S.D. 1 establishes a minimum number of hours of accrued paid sick and safe leave for employees, there are currently a number of employers with over one hundred employees that already offer paid sick leave benefits to their employees that exceed this minimum requirement. The language in the proposed S.D. 1 ensures that certain employers who do not yet offer paid sick and safe leave will have to do so.

Your Committee also recognizes the concerns raised by the Department of Human Resources Development that state and county employees are entitled to twenty-one days paid sick leave that can be used for family or safe leave. As such, your Committee believes that public employees should be exempt from the proposed S.D. 1.

Accordingly, your Committee has adopted the proposed S.D. 1 and amended the measure further by:

- (1) Defining "employee" and "employer" to mean the same as defined under section 388-1, Hawaii Revised Statutes, which will exempt public employers and accordingly public employees;
- (2) Inserting language to:

- (A) Provide employees who work for more than six hundred eighty hours in a year to have the right to paid sick and safe leave;
- (B) Establish that employees are entitled to accrue a minimum of one hour of paid sick and safe leave for every forty hours worked and that employees cannot accrue more than forty hours of paid sick and safe leave in a calendar year;
- (C) Establish that employees are entitled to use any accrued paid sick or safe leave beginning ninety calendar days following the commencement of their employment;
- (D) Limit the use of paid sick and safe leave in each calendar year to no more than forty hours;
- (E) Allow the reinstatement of previously accrued and unused paid sick or safe leave within six months between separation and reemployment with the same employer; and
- (F) Set the statute of limitations to two years from the date the alleged violation occurred;
- (3) Clarifying that small businesses are exempt from the requirements of providing paid sick and safe leave;
- (4) Clarifying that an employer may not require documentation to explain details regarding the nature of an illness or to domestic violence, sexual assault, or stalking as a condition to providing paid sick and safe leave;
- (5) Prohibiting an employer from disclosing any documentation provided by an employee to substantiate the use of paid sick or safe leave;
- (6) Deleting any references to public sector employees or collective bargaining agreements; 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 H.B. No. 341, H.D. 4, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 341, H.D. 4, 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). Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 3195 Judiciary and Labor on H.B. No. 679

The purpose and intent of this measure is to exempt National Rifle Association certified firearms instructors from absolute liability for injury or damage caused by discharge of their firearms during the course of providing firearms training at firearms training facilities to certain persons seeking to acquire a firearms permit.

Your Committee received testimony in support of this measure from the Hawaii Rifle Association, Lessons in Firearms Education, and thirty-two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice.

Existing law assigns absolute liability for firearms owners if a firearm discharges and proximately causes personal injury or property damage, and permits an affirmative defense to absolute liability if the firearm was not in the owner's possession. Your Committee finds that National Rifle Association certified firearms instructors provide their own personal firearms for the public to use to obtain safety training, a prerequisite under state law for obtaining a permit to acquire a pistol or revolver. This measure would protect National Rifle Association certified firearms instructors from this absolute liability in certain circumstances.

Your Committee notes that this measure extends the exemption from absolute liability for firearms training or safety courses or classes that occur at a firing range or other firearms training facility. Your Committee further finds that the term "other firearms training facility" may be overly broad and concludes that the exemption should be narrowed to apply only to training, courses, or classes at a firing range.

Your Committee has amended this measure by:

- (1) Clarifying that National Rifle Association certified firearms instructors are exempt from absolute liability for injury or damage only during the course of providing firearms training or safety courses or classes at a firing range; 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. 679, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 679, 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. 3196 Judiciary and Labor on H.B. No. 1777

The purpose and intent of this measure is to create a criminal long-arm statute to authorize district and circuit court judges in the State to order in criminal cases the production of records held by entities located outside of the State.

Your Committee received testimony in support of this measure from the Honolulu Prosecuting Attorney and Maui Prosecuting Attorney.

Your Committee finds that many businesses, associations, and organizations providing goods and services to the residents of the State, conducting other activities in the State, or otherwise affecting the residents of Hawaii, now operate nationally or globally, and many maintain their business records in a location outside the State. Such records may provide significant evidence in criminal

investigations or litigation taking place in the State. In order to effectively investigate and litigate these crimes, Hawaii law enforcement agencies, prosecutors, and criminal defense attorneys must be able to obtain records relevant to all crimes occurring here, and must be able to use these records in court.

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 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. 1777, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1777, 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. 3197 (Majority) Judiciary and Labor on H.B. No. 108

The purpose and intent of this measure is to prevent individuals from participating in dogfighting by creating more comprehensive penalties. Specifically, this measure:

- (1) Establishes the offense of cruelty to animals by fighting dogs in the second degree, which penalizes knowingly wagering on a dogfight or possessing any device or bait dog to enhance a dog's fighting ability;
- (2) Establishes that a violation of the offense of cruelty to animals by fighting dogs in the second degree is a class C felony;
- (3) Amends the offense of cruelty to animals under section 711-1109.3, Hawaii Revised Statutes, to clarify the elements of the offense and elevate the offense from a class C to B felony; and
- (4) Adds cruelty to animals by fighting dogs in the second degree to those offenses for which a dog may be provided emergency medical treatment, impounded, or forfeited.

Prior to the hearing on this measure, your Committee posted a proposed S.D. 1 for review and comment. The proposed S.D. 1 deletes the contents of this measure and replaces it with language that:

- (1) Adds a part I to ensure that dogs at breeding facilities receive a minimum standard of care by:
 - (A) Prohibiting the ownership or custody of more than thirty dogs over the age of one year with intact sexual organs;
 - (B) Requiring owners of ten or more dogs over the age of four months with intact sexual organs to meet minimum standards of care to ensure the proper treatment and care of the dogs and the dogs' offspring;
 - (C) Requiring owners of ten or more dogs over the age of four months with intact sexual organs to maintain specific written records of each dog for a specified period;
 - (D) Prohibiting certain types of dogs from being placed in the same enclosure; and
 - (E) Establishing penalties;
- (2) Adds a part II to ensure that every dog under a dog breeder's care is appropriately cared for by:
 - (A) Requiring the licensing of dog breeders;
 - (B) Granting each county the flexibility to assess the county's own situation and determine the need for and, if necessary, develop appropriate rules for the housing and treatment of dogs by dog breeders;
 - (C) Requiring each county or its contracted local humane society to assess appropriate license fees for dog breeders and to pursue civil penalties for noncompliance;
 - (D) Requiring dog breeder licensees to make their premises available for unannounced inspection during regular business hours by the county or the county's contracted designee; and
 - (E) Authorizing any county to contract with any society or organization formed for the prevention of cruelty to animals for the seizure and impounding of dogs owned by persons who do not comply with chapter 143, Hawaii Revised Statutes, and any rules adopted thereto;
- (3) Adds a part III to establish certain requirements with respect to the sale of dogs and cats at retail pet stores by:
 - (A) Requiring retail pet stores to implant an identification microchip in a dog or cat prior to sale or exchange; collect appropriate dog licensing forms and fees from a purchaser; provide specific written documentation regarding each dog or cat sold; provide written information on the health and benefits of spaying and neutering to the purchaser; and provide written information for inspection and copying upon request from a law enforcement officer;
 - (B) Prohibiting the sale or trading of dogs and cats in public places, except by humane societies or certain animal control, rescue, or care organizations facilitating adoptions; and
 - (C) Establishing penalties; and
- (4) Changes the effective date to upon approval.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaiian Humane Society, Hawaii Military Pets, and one private individual. Testimony in opposition to the proposed S.D. 1 was submitted by the American Kennel Club, Windward Hawaiian Dog Fanciers Association, Hawaii Hulacat Club, and ninety-one private individuals. Three private individuals submitted comments.

Your Committee finds that profit-driven breeding is prevalent in Hawaii. Unfortunately, existing state and federal laws regarding the care and husbandry of dogs inadequately regulate dog breeding facilities in Hawaii. This measure ensures that dogs at these breeding facilities receive sanitary living conditions, proper and timely medical care, the ability to move freely at least once a day, and adequate shelter from the elements. Furthermore, this measure ensures that every dog under a dog breeder's care is provided a minimum standard of care by requiring the licensure of dog breeders. Lastly, this measure attempts to better protect Hawaii's animals and consumers by requiring the implantation of an identification microchip in a dog or cat prior to sale and requires pet sellers to provide essential history and medical information to purchasers and animal care and animal control agencies.

Your Committee recognizes the concerns raised in the testimony submitted, especially regarding the requirement for owners with ten or more dogs to meet minimum standards of care. Testimony indicates that a number of dog breeders potentially may exceed the ten dog limit at any given time, especially for breeders who take in older dogs, or dogs whose owners have moved and are unable to take their dogs with them. However, your Committee finds that this measure does not prohibit the possession of more than ten dogs; rather, it establishes standards to ensure that dogs are properly cared for when owned or bred in certain numbers.

Your Committee further notes that a City and County of Honolulu ordinance limits owners to no more than ten dogs over the age of four months per household on residential zoned property. Accordingly, changing the minimum standards of care requirement in the proposed S.D. 1 to apply to owners with more than ten dogs over the age of four months with intact sexual organs per premise will be consistent with the City and County of Honolulu ordinances.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Exempting from the requirements under part I a boarding facility that only houses dogs temporarily and prohibits the breeding of dogs or selling of dogs;
- (2) Adding definitions for "premise" and "primary enclosure" under part I and adding these terms accordingly throughout part I, where applicable;
- (3) Amending the definition of "sufficient housing or shelter" under part I to delete the requirement that an indoor enclosure not be placed more than forty-two inches above the floor;
- (4) Specifying that no person shall own, possess, control, or have charge or custody at any time of more than thirty dogs, with intact sexual organs and over the age of one year, per premise;
- (5) Clarifying under part I that the minimum standards of care requirements apply to more than ten dogs per premise;
- (6) Clarifying under part I that the breeding restrictions and record requirements apply only to female dogs;
- (7) Specifying that the prohibitions on breeding any dog determined to be unfit for breeding and on placing certain dogs within the same enclosure apply to persons with more than ten dogs per premise;
- (8) Requiring under part III that retail pet shops enter into arrangements with veterinarians or humane societies to facilitate the microchip implantation requirement, rather than requiring the retail pet store to implant the identification microchip prior to the sale or exchange of a dog or cat;
- (9) Adding a part IV to amend section 711-1109.35, Hawaii Revised Statutes, relating to the offense of cruelty to animals by fighting dogs in the second degree to:
 - (A) Delete attendance or payment to attend a dogfight as a violation; and
 - (B) Add to the offense knowingly possessing a bait dog intended to enhance a dog's fighting ability while training or preparing the dog for a dogfight; and
- (10) Making 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. 108, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 108, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3, Ayes with Reservations (Gabbard, Shimabukuro). Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 3198 Judiciary and Labor on H.B. No. 2174

The purpose and intent of this measure is to make various amendments to the campaign spending laws by:

- (1) Adding a definition for the word "entity";
- (2) Clarifying that any person, as defined in section 11-302, Hawaii Revised Statutes, who fails to file or files a substantially defective or deficient report is subject to monitoring and penalties;
- (3) Requiring that every report to be filed by an individual or entity must be certified as complete and accurate by that individual or entity;
- (4) Making all reports available for public inspection on the Campaign Spending Commission's website in a searchable database;

- (5) Adding additional disclosure requirements for noncandidate committee reports;
- (6) Requiring that any expenditure that is contracted or paid for and that will be rendered during the last three days of an election period also be included in a late expenditure report;
- (7) Requiring late reports from entities that make contributions or independent expenditures in an aggregate amount of more than \$500 within fourteen through four calendar days prior to any election;
- (8) Authorizing the Commission to assess a fine against any person, as defined in section 11-302, Hawaii Revised Statutes, for failure to file required reports;
- (9) Mandating additional information to be contained in each statement of information;
- (10) Establishing certain requirements for advertisements;
- (11) Mandating the Campaign Spending Commission to adopt, amend, or repeal rules to ensure the proper disclosure of contributions and expenditures in accordance with part XIII of chapter 11, Hawaii Revised Statutes, along with other requirements; and
- (12) Requiring the Executive Director of the Campaign Spending Commission to notify the Legislature and public regarding the adoption, amendments, or repeal of rules concerning disclosure of contributions and expenditures.

Your Committee received testimony in support of this measure from Common Cause Hawaii, Americans for Democratic Action/Hawaii, League of Women Voters of Hawaii, Open Law Alliance, and thirty-seven private individuals. The Campaign Spending Commission and the Department of the Attorney General submitted comments.

Your Committee finds that disclosure is an important issue in the election process in light of the dramatic changes in policy regarding corporate contributions as reflected in the recent decision of the United States Supreme Court in *Citizens United v. Federal Election Commission*, 130 S. Ct. 876 (2010). These policy changes have paved the way for unlimited spending by corporations and unions to influence elections. New super political action committees and other entities are established at the federal and state levels to take advantage of these new pathways for campaign money contributions. This measure strengthens the State's disclosure requirements under campaign finance laws.

The Department of the Attorney General indicated that the addition of a new reporting requirement in this measure to apply to an "entity" is unnecessary because according to *Yamada v. Weaver*, any organization, regardless of form, that accepts contributions or makes expenditures in excess of \$1,000, in the aggregate, is already required to file disclosure reports with the Campaign Spending Commission under existing law. Thus, such organization would file reports as a noncandidate committee, which is a term used to describe a political action committee, or PAC, in other jurisdictions. Existing law does not require an organization to form a separate legal entity to serve as a noncandidate committee because the organization is a noncandidate committee. Your Committee notes that the testifier representing the Department of the Attorney General and author of the suggested amendments to this measure litigated the *Yamada* case.

Furthermore, the Campaign Spending Commission raised concerns regarding its ability to timely implement a searchable database for the public. The Commission needs additional time to consult with the Information and Communication Services Division of the Department of Accounting and General Services to upgrade the Commission's existing electronic filing system. As such, the Commission suggested that this measure take effect three hundred sixty days after November 7, 2012, the day after the general election, except for the section of this measure that repeals section 11-332, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Adopting the language proposed by the Department of the Attorney General to:
 - (A) Delete the definition of the word "entity" and any references to this term, as applicable;
 - (B) Add a reference to section 11-340, Hawaii Revised Statutes, under section 11-314, Hawaii Revised Statutes, which delineates the duties of the Campaign Spending Commission;
 - (C) Add an additional requirement for a statement of information for electioneering communications to include top donors for the advertisement or the top donors for the noncandidate committee, business entity, or organization; and
 - (D) Clarify that advertisements that are paid for by a person other than the candidate or candidate committee are required under the list of top donors for the business entity, noncandidate committee, or organization to include the names of the contributors that have made the five greatest aggregate contributions during the election period, as determined by records of contributions made within the last twelve months prior to the date of the advertisement;
- (2) Adopting the suggestion made by the Campaign Spending Commission to change the effective date to three hundred sixty days after November 7, 2012, except for the section of this measure that repeals section 11-332, Hawaii Revised Statutes, which will take effect on November 7, 2012; 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. 2174, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2174, 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).

The purpose and intent of this measure is to exclude from the offense of violation of privacy in the second degree the commission of certain acts to observe, record, amplify, or broadcast another person in a stage of undress or sexual activity.

Your Committee received testimony in support of this measure from the Honolulu Prosecuting Attorney and County of Maui Department of the Prosecuting Attorney.

Your Committee finds that existing law regarding a violation of privacy in the second degree, a misdemeanor, as it pertains to a person in a stage of undress or sexual activity is also covered by the felony offense of violation of privacy in the first degree. According to testimony submitted on this measure, case law requires that a violator be charged under the lesser charge in order to avoid constitutional due process and equal protection issues (*State v. Modica*, 58 Haw 249). This measure resolves that conflict by excluding the behavior from the lesser second degree offense, thereby allowing violators to be charged under the felony offense.

As affirmed by the record of votes of the members 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. 1772, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 3200 Judiciary and Labor on H.B. No. 2175

The purpose and intent of this measure is to exempt members of groups convened by statute or resolution; executive order or proclamation; or invitation of the Legislature, Governor, or other state officer; solely for the purpose of providing advice or comments to, or to formulate recommendations for the Legislature, the Governor, a state department, or a state officer, from the requirements of the state ethics code.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Hawaii Credit Union League, Hawaii Farm Bureau Federation, Hawaii Youth Services Network, and one private individual. Testimony in opposition to this measure was submitted by the Americans for Democratic Action/Hawaii, Common Cause Hawaii, and League of Women Voters of Hawaii. The Hawaii State Ethics Commission submitted comments.

Your Committee finds that the Legislature, Governor, and other state agencies and officials are dealing increasingly with issues and situations that require technical or experiential information that they do not possess or cannot readily obtain. In many instances, task forces consisting of members from the community who have and are willing to share information and their expertise have been formed to address these types of issues or situations.

Recently however, ethical concerns have been raised about membership on task forces because it is unclear to some whether a task force is considered a board, commission, or committee of the State, and consequentially whether a task force member is deemed to be an employee under the State's ethics code and therefore precluded from acting on matters the task force was formed to address, if the task force member stands to gain financially. This measure addresses the ambiguity regarding task forces by opting in favor of informed decision-making, and exempting from the State's ethics code groups that are informally organized to provide government with specialized knowledge, expertise, advice, and recommendations.

However, your Committee also recognizes the concerns that providing task force members a full blanket exception from the state ethics code may invite unintended consequences. For example, such a broad exception may allow exempt task force members to accept gifts intended to influence their recommendations, disclose confidential information to the public or use such information for personal gain, or seek favors from themselves or others. As a result, your Committee requested the interested stakeholders to develop language to address these concerns.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the language developed by the Department of the Attorney General that:
 - (A) Deletes the amended definition of "employee" under the state ethics code;
 - (B) Allows a person who serves as a designee or representatives of an entity that is a member of a task force to disclose information that the person acquires as the entity's designee or representative to that entity;
 - (C) Allows a task force member or the task force member's designee or representative to make statements or take official action in the capacity as a task force member;
 - (D) Requires task force members to file a full and complete public disclosure of the nature and extent of the interest or transaction that the task force member believes may affect the member's official action;
 - (E) Exempts a task force member from certain conflict of interest provisions if the task force member would not otherwise be considered an employee and complies with the state ethics code disclosure requirements;
 - (F) Exempts contracts awarded with a person or business represented or assisted by a person who was a member of a task force or designee or representative of a task force member; and
 - (G) Allows a task force member to represent, within twelve months of termination of service on the task force, a person or business for a fee or other consideration on matters in which the task force member participated in if, but for the task force member's service, the member would not be considered an employee;
- (2) Changing the effective date from upon approval to retroactive to June 1, 2010; 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. 2175, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2175, 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. 3201 Judiciary and Labor on H.B. No. 2623

The purpose and intent of this measure is to:

- (1) Specify that property held by spouses or reciprocal beneficiaries in tenancy by the entirety shall continue to be treated as such after the transfer to a trust unless otherwise specifically provided by the trust instrument;
- (2) Limit the remedies available to creditors against transferred property; and
- (3) Specify that upon divorce or annulment between spouses or the termination of a reciprocal beneficiary relationship, the trust property treated as held in tenancy by the entirety will instead be treated as property held in tenancy in common.

Your Committee received testimony in support of this measure from the Hawaii Association of Realtors and one private individual. The Hawaii Bankers Association submitted comments.

Your Committee finds that a debt of one spouse or reciprocal beneficiary may not be enforced against property held as tenants by the entirety. From an estate planning standpoint, it is often advisable to create revocable trusts for spouses or reciprocal beneficiaries in order to avoid probate and minimize estate taxes. However, under existing law, spouses or reciprocal beneficiaries are forced to choose between the creditor protections offered by a tenancy in the entirety arrangement or foregoing those protections in favor of setting up and properly funding estate planning trusts. This measure amends the law to allow these couples to use current estate planning tools and retain the creditor protections by holding real property as tenants by the entirety.

Your Committee recognizes the efforts made by the attorneys from the Judiciary's Committee on the Uniform Probate Code and Probate Court Practices, the Hawaii Bankers Association, and other estate planning professionals to develop language aimed at addressing concerns raised by the Hawaii Bankers Association and the Department of the Attorney General.

Accordingly, your Committee has amended this measure by:

- (1) Replacing the amendments to section 509-2, Hawaii Revised Statutes, with suggested amendments produced by the attorneys from the Judiciary's Committee on the Uniform Probate Code and Probate Court Practices, the Hawaii Bankers Association, and other estate planning professionals that:
 - (A) Specify that real property held in tenancy by the entirety by spouses or reciprocal beneficiaries and conveyed to a trust shall continue to have the same immunity from the claims of their separate creditors that would exist if the spouses or reciprocal beneficiaries had continued to hold the property or its proceeds as tenants by the entirety;
 - (B) Limit the tenants by the entirety protection to only real property placed in a trust;
 - (C) Specify that the tenants by the entirety protection applies if the spouses remain married or reciprocal beneficiaries remain in a registered reciprocal beneficiary relationship, the property shall continue to be held in trust with both spouses or reciprocal beneficiaries remaining as beneficiaries of the trust, the tenancy by the entirety protection is not waived, and specific notice is provided in the conveyance deed and appropriately filed or recorded in Land Court or the Bureau of Conveyances;
 - (D) Clarify that after death of one of the spouses or reciprocal beneficiaries, the tenancy by the entirety protection continues;
 - (E) Clarify that in the event the property transfer is held invalid, revoked, or dissolved, all real property held in trust is automatically deemed to be held in tenancy by the entirety;
 - (F) Allow spouses or reciprocal beneficiaries to waive the tenancy by the entirety protection in favor of specific creditors;
 - (G) Place the burden of proving immunity of the trust property from a separate creditor's claims on spouses or reciprocal beneficiaries in the event of a dispute; and
 - (H) Clarify that the real property is governed by the trust instrument and is considered as tenants by the entirety property only for protection purposes, not titling purposes;
- (2) Adding a savings clause;
- (3) Changing the effective date to July 1, 2050, to encourage 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 H.B. No. 2623, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2623, 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. 3202 Ways and Means on H.B. No. 2328

The purpose and intent of this measure is to provide for the more efficient collection of estate and transfer taxes. More specifically, this measure establishes a new chapter in the Hawaii Revised Statutes governing estate and generation-skipping transfer taxes.

The Department of Taxation and the Hawaii Association of Realtors testified in support of this measure.

Your Committee finds that this measure will improve the Hawaii estate tax law by bringing the law into compliance with the federal estate tax, providing the Department of Taxation with the necessary powers to enforce the tax, and providing necessary protections for taxpayers. Your Committee also finds that this measure will restore the Hawaii generation-skipping transfer tax, which has been dormant since 2005.

Your Committee notes that S.B. No. 2112, S.D. 1, which amends the sunset provision of Act 166, Session Laws of Hawaii 2007, to extend the exemption from taxation of capital gains realized from the sale of leased fee interest in condominium units to association of apartment owners or residential cooperative corporations from January 1, 2013, to January 1, 2018, crossed over to the House of Representatives, but has not been scheduled for a hearing. Your Committee finds that extending this exemption is necessary to encourage landowners to sell condominium lessees the fee interest in their units and thereby promote the long-term stability in Hawaii's condominium housing market.

Your Committee has amended this measure by:

- (1) Correcting a reference to the Internal Revenue Code;
- (2) Providing that the new chapter of the Hawaii Revised Statutes shall apply to civil union partners with the same force and effect as if they were "husband and wife", "spouses", or other terms that describe persons in a legal marital relationship;
- (3) Clarifying that a Hawaii transfer tax return shall be required to be filed whenever a federal estate tax return or applicable generation-skipping transfer tax return is required to be filed;
- (4) Clarifying that the circuit court shall have jurisdiction to hear and determine questions in relation to the Hawaii estate tax and the tax appeal court shall have jurisdiction to hear and determine questions in relation to the Hawaii generation-skipping transfer tax;
- (5) Replacing the term "guardian of the estate" with "conservator of the estate";
- (6) Providing that Chapter 236D, Hawaii Revised Statutes, shall not apply to decedents dying or taxable transfers occurring after December 31, 2011;
- (7) Inserting language from S.B. No. 2112, S.D. 1, extending the sunset provision of Act 166, Session Laws of Hawaii 2007, from January 1, 2013, to January 1, 2018, to extend the exemption from taxation of capital gains realized from the sale of leased fee interest in condominium units to association of apartment owners or residential cooperative corporations;
- (8) Changing the effective date of the measure to July 1, 2050, to facilitate further discussion on the measure; and
- (9) 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 H.B. No. 2328, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2328, 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, 14, Ayes with Reservations (Slom). Noes, none. Excused, none.

SCRep. 3203 Ways and Means on H.B. No. 2326

The purpose and intent of this measure is to amend various income tax credits to provide that the basis of eligible property for depreciation of accelerated cost recovery system purposes for state income taxes shall be reduced by the amount of the tax credit claimed.

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 amended this measure by deleting its contents and replacing it with the contents of S.B. No. 2869, S.D. 1, Regular Session of 2012, which:

- (1) Extends the date for the Tax Review Commission to submit its report to the Legislature; and
- (2) Appropriates funds to be used by the Tax Review Commission to conduct an evaluation of the State's tax structure and recommend revenue and tax policy.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Taxation and the Tax Review Commission. The Tax Foundation of Hawaii submitted comments on the proposed S.D. 1.

Your Committee finds that the Tax Review Commission was to have been constituted in 2010, with its report delivered to the Legislature prior to the convening of the Regular Session of 2012. Your Committee further finds that the Commission's delayed start was due to the change in Administration and the time needed to solicit new Commission members from the community. This measure would provide additional time for the Tax Review Commission to carry out its duties to conduct a systematic review of the State's tax structure and recommend revenue and tax policy.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by deleting the appropriation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2326, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2326, 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, Kidani, Tokuda).

SCRep. 3204 (Joint) Water, Land, and Housing and Energy and Environment and Ways and Means on H.B. No. 2250

The purpose and intent of this measure is to appropriate funds for the establishment of an emergency environmental workforce for short-term employment for individuals who are unemployed or underemployed to assist in the State's effort to:

- (1) Maintain and strengthen watersheds;
- (2) Eradicate invasive plants; and
- (3) Reduce coqui frog, coffee borer beetle, and fire ant populations.

Prior to the hearing, your Committees posted a proposed S.D. 1 of this measure for public review. The proposed S.D. 1 deletes the contents of the measure and replaces them with language that establishes and appropriates funds for a special operations team authorized to recruit and employ temporary emergency environmental workforce employees to respond to environmental emergencies.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Land and Natural Resources, The Trust for Public Land, Research Corporation of the University of Hawaii, and Coordinating Group on Alien Pest Species. Testimony in opposition to the proposed S.D. 1 was submitted by one individual. Your Committees received comments on the proposed S.D. 1 from the Maui Invasive Species Committee, The Nature Conservancy, and Hawaii Green Growth Initiative.

Your Committees find that Hawaii's unique environment and natural resources continue to face ongoing threats. In many cases, these threats constitute imminent peril to natural resources and watersheds and thus require rapid responses. The impacts of invasive species can be mitigated and costs for control and eradication can be reduced with prompt and immediate responses. This measure will expedite the response process by designating a special operations team to oversee the emergency environmental workforce.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Establishing the special operations team as a replacement agency for the emergency environmental workforce established by Act 4, Session Laws of Hawaii 2001, Third Special Session (Act 4);
- (2) Assigning the existing duties of the emergency environmental workforce to the special operations team and additionally including, as a duty of the team, the recruitment of temporary qualified emergency environmental workforce employees to perform response services;
- (3) Specifying that all temporary emergency environmental workforce employees employed pursuant to this measure shall be subject to the Research Corporation of the University of Hawaii's (RCUH) employment policies and procedures, except for unemployment insurance benefits, for which the State shall be responsible;
- (4) Incorporating the conducting of interviews by RCUH, together with the Pacific Cooperative Studies Unit of the University of Hawaii at Manoa, to select emergency environmental workforce employees into the existing responses to an environmental emergency required by Act 4;
- (5) Deleting references to contract employees and the September 11 tragedy; 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 Water, Land, and Housing and 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. 2250, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2250, 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, none. Excused, 3 (Chun Oakland, Fukunaga, Kim).

SCRep. 3205 Ways and Means on H.B. No. 304

The purpose and intent of this measure is to increase the financial flexibility of the State by allowing the Department of Budget and Finance to enter into agreements with other bond issuers to pool allocations for the issuance of bonds if certain conditions are met.

Prior to the public hearing on this measure, your Committee circulated for review and comment, and received testimony on, a Proposed S.D. 1.

The proposed S.D. 1 amended this measure by deleting its contents and replacing them with appropriations to various programs and organizations that provide essential education, public health, and public welfare services in the State.

Written testimony in support of this measure was submitted by the Department of Veterans Affairs; Department of Education; Pacific Islands Health Care System; Policy Advisory Board for Elder Affairs; State Council on Developmental Disabilities; Wailuku Elementary School; City and County of Honolulu-Department of Community Services; Hawaii Alliance for Retired Americans; Volunteer Legal Services Hawaii; Partners in Care; Child and Family Service; The Children's Alliance of Hawaii, Inc.; Hawaii Youth Services Network; Hawaii Disability Rights Center; Lanakila Multi-Purpose Senior Center; Legal Aid Society of Hawaii; Susannah Wesley Community Center; Catholic Charities Hawaii; and seventy-one individuals.

Written testimony in opposition to this measure was submitted by the Lanai Community Health Center. Written comments were submitted by the Judiciary; Department of Budget and Finance; Department of the Attorney General; and the University of Hawaii.

Your Committee finds that the national and global economic crisis has resulted in a reduction in services and has jeopardized the safety net of basic human services. Your Committee further finds that this measure helps to restore and repair the safety net for programs that are essential to education, public health, and public welfare.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending it by:

- (1) Deleting sections 6, 72, and 73 because the appropriations made in those sections have been included in the supplemental appropriations bill;
- (2) Amending the appropriation instructions for the appropriation to the Hawaii Primary Care Association for adult dental services, in section 41 of the finalized S.D. 1, to clarify that the funds appropriated may be used for dental care reimbursed by federally qualified health centers;
- (3) Deleting all amounts appropriated and leaving the amounts unspecified; 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. 304, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 304, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Dela Cruz, Espero, Fukunaga, Kim).

SCRep. 3206 (Joint) Water, Land, and Housing and Ways and Means on H.B. No. 2398

The purpose and intent of this measure is to establish the Honokohau Marina Development District on the island of Hawaii under the Hawaii Community Development Authority.

Your Committees received testimony in opposition from the Department of Land and Natural Resources, Kona Hawaiian Civic Club, Makani Hou O Kaloko-Honokohau, and two individuals. Your Committees received comments from the Office of the Attorney General.

Your Committees find that the Public Land Development Corporation was recently created as an agency to develop public lands into suitable recreational and leisure centers for residents and tourists. Accordingly, certain parcels of land held by other state agencies can benefit from being transferred to and developed by the Public Land Development Corporation.

Your Committees recognize the Aloha Stadium as a preferred venue for major entertainment and recreational events. Due to its central location, opportunities exist to strengthen the stadium and its surrounding properties to enable the stadium to become a self-sustaining premier venue. It is your Committees' intent to create a source of funding to assist the stadium in pursuing these opportunities.

Therefore, your Committees have amended this measure by deleting its contents and replacing the contents with language that:

- (1) Transfers density rights of the properties located at tax map keys (3)7-4-08:03, (3)7-4-08:41, and (3)7-4-08:71 to the Public Land Development Corporation (PLDC);
- (2) Excludes lands set aside by the Governor, leased to the PLDC by any state agency, or to which the PLDC holds title from the definition of public lands under chapter 171, Hawaii Revised Statutes;
- (3) Requires prior legislative approval for the sale or gift of land set aside by the Governor or to which the PLDC holds title;
- (4) Creates the stadium facilities special fund into which shall be deposited a portion of the proceeds generated by the PLDC from Aloha Stadium lands and facilities;
- (5) Amends the definition of development rights under chapter 171C, Hawaii Revised Statutes, to include all rights related to the development of a property;
- (6) Allows the PLDC to contract with state or county agencies for lease management services of PLDC-controlled land;
- (7) Excludes funds to be deposited in the stadium facilities special fund from the funds to be credited to the Hawaii public land development revolving fund; and
- (8) 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 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. 2398, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2398, 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. Noes, none. Excused, 5 (Chun Oakland, Espero, Fukunaga, Kim, Tokuda).

SCRep. 3207 (Joint) Economic Development and Technology and Ways and Means on H.B. No. 2145

The purpose and intent of this measure is to express as state policy the delineation of the key economic sectors of importance for economic diversification in Hawaii and identification of key projects within those sectors that are important to the long-term growth and success of those industries.

Prior to the hearing, your Committees made available a proposed S.D. 1, which designated the contents of this measure as part I and added language from S.B. No. 2012, S.D. 1, as parts II through IX, to:

- (1) Issue \$500,000,000 in general obligation bonds to fund the repair and maintenance or capital renewal and deferred maintenance projects of various executive departments, the University of Hawaii, Hawaii Health Systems Corporation, and the Judiciary (parts II through VI);
- (2) Apply small purchase procurement requirements to capital improvement projects authorized pursuant to this Act for goods, services, or construction that are less than \$1,000,000 (part VII);
- (3) Require procurements of less than \$1,000,000 to be conducted through an electronic system (part VII);
- (4) Exempt capital improvement projects that are less than \$1,000,000 from the provisions of section 103D-701, Hawaii Revised Statutes, relating to protests (part VII);
- (5) Provide for certain exemptions from county permitting, licensing, and certification requirements (part VII);
- (6) Establish a legislative capital improvements program oversight committee, require the committee to report its findings to the 2013 and 2014 Legislature, and sunset the committee on June 30, 2014 (part VIII); and
- (7) Require the Department of Accounting and General Services, beginning with the first quarter of fiscal year 2012-2013, to prepare quarterly reports and submit the reports to the legislature no later than thirty days after the last day of each quarter, on the status of all appropriations made by this Act, including amounts appropriated, appropriated but not allotted, allotted, encumbered, and expended by project; provided that the Department of Accounting and General Services shall post the reports on the Department's website (part VIII); and
- (8) Change the effective date to upon approval.

Your Committees received testimony in support of the proposed S.D. 1 from the Office of the Governor, Department of Accounting and General Services, State Procurement Office, Department of Agriculture, Department of Education, Hawaii State Public Library System, Department of Transportation, University of Hawaii System, Hawaii State Judiciary, Building Industry Association of Hawaii, General Contractors Association of Hawaii, Hawaii Laborers-Employers Cooperation and Education Trust, The Pacific Resources Partnership, The Chamber of Commerce of Hawaii, The Hawaii Carpenters Union, Subcontractors Association of Hawaii, Carpenters Union, and one individual. Your Committees received testimony in opposition to the proposed S.D. 1 from the International Brotherhood of Electrical Workers, Sierra Club Hawaii Chapter, Air Balance Hawaii, and three individuals. Your Committees received comments on the proposed S.D. 1 from the Department of Budget and Finance; Department of Land and Natural Resources; Office of Hawaiian Affairs; Plumbing and Mechanical Contractors Association of Hawaii; Alaka'i Mechanical Corporation; Economy Plumbing & Sheetmetal, Inc; Hawaii Building and Construction Trades Council, AFL-CIO; Continental Mechanical of the Pacific; Elite Mechanical, Inc.; and one individual.

Your Committees find that the proposed S.D. 1 for this measure would provide funding for urgently needed deferred maintenance and capital renewal projects of state facilities, while respecting the need for the appropriate environmental reviews and permitting requirements. This measure would also serve as a strong economic stimulus for Hawaii's construction industry and other economic sectors, as major state construction projects constitute key economic development drivers for the State's economy.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending this measure by:

- (1) Deleting part I, relating to key economic sectors of importance for economic diversification in Hawaii;
- (2) Specifying that the Department of Accounting and General Services shall be the expending agency for Department of Health repair and maintenance projects other than Hawaii Health Systems Corporation repair and maintenance projects;
- (3) Requiring each bidder for capital improvement projects with a total estimated contract value of \$250,000 or higher to submit a listing of each person or firm to be engaged by the bidder as a joint contractor or subcontractor in the performance of the contract and the nature and scope of the work to be performed by each; provided that construction bids that do not comply with this requirement may be accepted if acceptance is in the best interest of the State and the value of the work to be performed by the joint contractor or subcontractor is equal to or less than one percent of the total bid; 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 Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2145, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2145, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 13, Ayes with Reservations (Ryan, Slom). Noes, none. Excused, 3 (Baker, Dela Cruz, Solomon).

SCRep. 3208 Ways and Means on H.B. No. 2012

The purpose and intent of this measure is to adjust appropriations for the operating and capital improvements budget of the executive branch for fiscal year 2011-2012 and fiscal year 2012-2013.

Your Committee received testimony in support of this measure from the Office of the Governor; Department of Taxation; Department of Human Resources Development; Department of Agriculture; Hawaii Public Housing Authority, Department of Human

Services; Early Childhood Coordinator, Office of the Governor; Department of Human Services; Hawaii Housing Finance and Development Corporation, Department of Business, Economic Development, and Tourism; William S. Richardson School of Law; The Pacific Resource Partnership; Child and Family Service; Catholic Charities Hawaii; YWCA; Kauai Chamber of Commerce; General Contractors Association; Partners in Care; Zonta Club of Hilo; Friends of the Library, Waikoloa Region; and one hundred ninety-eight individuals.

The Department of Land and Natural Resources submitted testimony opposing certain adjustments made by the House of Representatives.

Your Committee received comments on this measure from the Office of the Lieutenant Governor; Department of Budget and Finance; Department of the Attorney General; Department of Accounting and General Services; Department of Education; Department of Health; Department of Defense; Department of Public Safety; Hawaii State Public Library System; Office of Information Management and Technology; Public Utilities Commission; Department of Budget and Finance; Department of Business, Economic Development, and Tourism; Hawaii Tourism Authority; John A. Burns School of Medicine, University of Hawaii; Lanakila Pacific; and ten individuals.

I. INTRODUCTION

The State has now addressed considerable budget shortfalls in three consecutive years. This includes \$2.1 billion in 2009, \$1.2 billion in 2010, and \$1.3 billion in 2011. Currently, projected general fund balances over the next several years are very modest. Nonetheless, this marks the first year coming out of the recession that the Legislature has not been faced with the prospect of taking action to close a budget shortfall in the billions of dollars.

Your Committee continues to support the administration in its efforts to right the ship of state. This has proven to be no small task, considering the notable absence of effective state executive leadership over the course of the great recession and the significant impact state spending reductions have had on state programs and personnel. Your Committee appreciates the administration's improved efforts to communicate and work with the Legislature on strategic fiscal and policy matters.

Your Committee commends the current administration's commitment to prudent fiscal policies for the State and its unwillingness to employ the "kick the can down the road" tactics used by the prior administration to get through one fiscal year to the next. While the prior administration restructured debt for immediate savings without regard for future costs, the current administration has retired future debt earlier, which will save the State \$59 million in debt service. The current administration has also made every effort to end the practice of payment delays to providers and taxpayers.

Your Committee's guiding principles for the supplemental budget were to support the State's core functions, including those programs that provide services for those most in need, and to make strategic investments in people and programs that encourage economic growth and lower long-term future costs.

II. ECONOMIC OUTLOOK

National Economic Outlook

Positive economic data has filled the news thus far in 2012. The unemployment rate has declined significantly, household spending and confidence have increased steadily, and financial markets have rallied to near four year highs. Although the data indicates the economic recovery is underway, the Congressional Budget Office (CBO), which produces ten-year economic forecasts for the congressional budget committees, expects the economy will grow at a sluggish pace over the next two years. CBO projects that real gross domestic product will grow by 2.0 per cent this year (as measured by the change from the fourth quarter of 2011) and by 1.1 per cent next year due to prolonged effects of the recession and current fiscal restraint.

The CBO also forecasts that the national unemployment rate will remain above 8.0 per cent for the next two years and that it will take five years until the unemployment rate drops to 5.5 per cent (close to the economy's natural rate of unemployment of 5.2 per cent).

In addition, strains in the global financial markets pose significant downside risks to the economic outlook:

- A worsening of the banking and fiscal problems in Europe could spill over to the United States and international financial markets;
- The recent increases in oil and gas prices, if the trend continues, will heighten inflation and threaten the economic recovery; and
- Upcoming congressional budget and policy decisions have the potential to not only stymie the national recovery, but also leave states uncertain of what federal funds to expect.

The Federal Reserve, which is tasked with setting the United States' monetary policy, stated that they expect to keep interest rates at exceptionally low levels at least through late 2014. This is in line with CBO's forecast for economic recovery and reiterates a policy of cautious optimism, that while the economy is improving, it is still years away from normal levels.

The Economic Outlook for Hawaii

Hawaii's economy has likewise seen a recovery driven primarily by a surge in the visitor industry at the end of 2011. The University of Hawaii Economic Research Organization (UHERO) states that the Hawaii visitor industry experienced a 3.5 per cent growth in arrivals and a 15.6 per cent increase in nominal visitor spending in 2011 compared to 2010. UHERO partially credits this to the opening of Disney's Aulani Resort and the APEC Conference in November.

However, UHERO and the Department of Business, Economic Development, and Tourism (DBEDT) note the following as risks to Hawaii's economy:

- “Hawaii’s economy depends significantly on conditions in the economy and key international economies, especially Japan.” Slowing global growth has been a recent concern as the forecasts for China and Japan’s economic growth have been lowered in 2012 and the risks of spill over from a European crisis remains possible.
- “Oil has been hovering over \$100 per barrel and high oil prices restrain visitor growth.” However, UHERO is optimistic on news that airlines continue to expand routes to Hawaii and that the Obama Administration has been pushing for eased visa requirements in Brazil and China.
- “Labor market data confirms earlier fears that Hawaii’s job recovery has retreated.” While Hawaii’s February unemployment rate of 6.4 per cent is much lower than the national average of 8.3 per cent, it is nowhere near the average unemployment rate of 2.5 per cent in 2006.
- The construction sector has been improving on Oahu, but Neighbor Island construction employment was nearly 13.0 per cent lower than a year earlier. Furthermore, the future of the Honolulu Rail Transit project remains uncertain.

III. GENERAL FUND REVENUE OUTLOOK

By law, the Council on Revenues (COR) 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. State revenues come primarily from the general excise tax and the state income tax. Similar to last year, the COR has made significant forecast changes.

In the September 6, 2011, meeting, the COR raised their forecast for fiscal year 2011-2012 tax revenue growth from 11.0 per cent to 14.5 per cent, citing the effect of the delay in income tax refunds, economic growth, and new tax laws as the basis for the increase. The COR subsequently lowered their forecast in the January 5, 2012, meeting from 14.5 per cent to 11.5 per cent, mainly citing a shortfall in tax collections in the first half of the fiscal year. This forecast reduced expected general fund revenues over the fiscal biennium by about \$267.2 million.

In the most recent March 7, 2012, meeting, the COR raised their fiscal year 2011-2012 forecast slightly from 11.5 per cent to 12.0 per cent, in addition to raising their forecasts for fiscal years 2013 to 2016. The COR based the revisions on their outlook of the economy, including the improving visitor industry, an overall economic expansion, an improving job market, and higher consumer confidence. This increased expected general fund revenue over the 2011-2013 fiscal biennium by about \$93.2 million. However, the COR also expressed “concerns about the uncertainty in European economies, the possibility of a war with Iran and rising oil and gas prices.”

Given the volatility of the economy and the large swings in financial markets over the past nine months, it should be noted that significant downside risks exist for revenue growth assumptions over the budget planning period.

IV. BUDGET OVERVIEW

The supplemental budget request submitted by the Governor prior to the 2012 Regular Session was premised on the COR general fund revenue growth projection of 14.5 per cent for fiscal year 2011-2012. The general fund balance at the end of fiscal biennium was then projected to be about \$234.9 million. On January 5, 2012, the COR significantly lowered the general fund revenue projection, essentially eliminating this balance and leaving a projected deficit of about \$20 million at the end of the fiscal biennium. While the COR did increase the general fund growth projection by 0.5 per cent on March 7, 2012, this has resulted in only a small general fund balance at the end of the fiscal biennium.

The Governor’s initial supplemental budget request resulted in a net request to add \$34,003,992 in general funds for fiscal year 2012-2013. This amount included:

- (1) \$46,425,979 for various programs to restore the safety net;
- (2) \$46,057,502 for the Department of Education and University of Hawaii;
- (3) \$8,229,427 to maintain essential services across the State;
- (4) \$19,242,141 for various new day initiatives; and
- (5) \$85,861,396 in budget savings, including debt service savings, retirement system/FICA payment savings, and employee and retiree health premium payment savings.

The Governor’s new day requests largely center on chief information officer initiatives, including technology triage, information technology integration pilot projects, business process and information technology, and information rights management reengineering. New day requests also include funding for the protection of important watersheds, the aging and disability resource center, broadband initiatives, obesity and diabetes prevention programs, and early learning initiatives.

Other notable adjustments contained in the Governor’s supplemental budget request include the distribution of \$88,200,000 in general fund reductions and corresponding reductions of non-general funds for expected labor savings and the distribution of \$50,000,000 in general fund reductions under the administration program review, whereby the Governor reprioritized state spending.

In addition, the Governor has submitted six Governor’s Messages adjusting the supplemental budget request over the course of this Regular Session. These message items have adjusted the Governor’s requested general fund appropriations by reducing \$492,356 for fiscal year 2011-2012 and adding \$7,149,840 for fiscal year 2012-2013. As adjusted for message items, the total requested general fund supplemental budget is \$5,443,441,659 for fiscal year 2011-2012 and \$5,597,335,456 for fiscal year 2012-2013.

The House of Representatives (House) adopted a draft of the budget measure that considered the Governor’s initial supplemental budget request, but not most of the subsequent Governor’s Message items. Significantly, the House funded much of the Governor’s information technology initiatives through the use of special funds. Additionally, the House included \$50,000,000 for partial payment of the annual required contribution of the Employer-Union Health Benefits Trust Fund’s (EUTF) unfunded liability.

The mechanism to fund the information technology initiatives contained in the House draft of the budget is unclear to your Committee at this time, but it continues to review and assess the viability of this funding source. Also, though recognizing the importance of addressing the unfunded liability of the EUTF, your Committee finds that the annual required contribution to be closer to \$500 million and that funding an amount far short of that would be largely symbolic. Nonetheless, your Committee looks forward to discussing these issues with the House Committee on Finance and resolving them during the upcoming conference phase of the Regular Session.

Your Committee thoroughly reviewed each of the Governor's requests for additional funding. Your Committee finds merit in the majority of the Governor's proposals and has funded them, as they pertain to maintaining the safety net and restoring the ability of government to perform certain necessary functions. Your Committee notes that difficult choices were made and some funding requests could not be accommodated.

Your Committee has adjusted the supplemental budget request submitted by the Governor, as modified by Governor's Message items, by adding \$61,674 in general funds for fiscal year 2011-2012 and adding \$6,021,762 in general funds for fiscal year 2012-2013. Across all means of financing, your Committee has added \$61,674 for fiscal year 2011-2012 and reduced \$5,966,427 for fiscal year 2012-2013.

V. DEPARTMENT HIGHLIGHTS

Human Services

The need for assistance continues to grow among Hawaii's residents. Over the past several years, continued job loss and significant wage and benefit reductions have forced many families to survive at or below poverty levels. The State has witnessed unprecedented growth in the number of residents enrolled in MedQUEST and temporary assistance for needy families (TANF) programs and struggles to maintain services at the levels provided in prior years. Your Committee is cognizant of the importance of providing core services to individuals and families in need and supports the Department of Human Services' efforts to assist Hawaii's vulnerable populations.

At a time when all state agencies were being asked to do more with less, the Department of Human Services was tasked with reducing costs and expenditures without compromising critical core services. Your Committee recognizes this difficult task and commends the Department in its efforts to reform operations to sustainable levels while providing services where they are most needed.

In the MedQUEST Division, the Department managed a \$75,000,000 general fund reduction over the 2011-2013 fiscal biennium while working to maintain important services to replace the prior administration's short-sighted delayed payments strategy with proactive, sustainable, cost-saving strategies. MedQUEST successfully initiated a reduction in capitation payments to both QUEST and QUEST expanded access health plans by three per cent, and generated approximately \$22,000,000 in general fund savings. The Division received approval from the Centers for Medicare and Medicaid Services to allow the State to claim additional federal funds for Compact of Free Association recipients related to inpatient hospital stays, generating another \$3,000,000 in general fund savings. In fiscal year 2012-2013, the Department will implement a program integrity review that will reduce inactive cases, including those of non-residents, and has projected recapturing \$16,600,000 in general funds. The Department has also been informed that the federal medical assistance percentage (FMAP) for Hawaii will increase by 1.38 per cent, which will bring an additional \$15,000,000 in federal funds to the State.

Your Committee appreciates the Department's prudent approach at reforming the MedQUEST Division's budget, but remains cognizant of the increased demand for services and national rise in health care costs. As such, your Committee has appropriated \$8,135,700 in general funds and \$14,745,086 in federal matching funds for fiscal year 2012-2013 towards Medicaid capitation payments.

Similarly, the Benefit, Employment and Support Services Division reviewed TANF programs' prior year operations and identified cost saving strategies through the consolidation of service contracts, reduction in non-mandated cash assistance and services, and revised employer wage subsidy payments. Through these measures, the Department was able to immediately reduce contract expenditures by over \$4,000,000 in general funds. Changes in service delivery effectuated an additional \$5,200,000 in general fund savings due to reduced administration costs and revised contract reimbursements.

Your Committee recognizes that the Department's efforts have significantly helped to bring TANF expenditures down to more manageable levels. In support of the Department's reforms, your Committee has provided \$18,191,515 in general funds to maintain TANF services for Hawaii's residents.

The Child Protective Services (CPS) program was also recently subjected to extensive program review. Under the prior administration, contracts within child welfare services were permitted to overextend themselves in excess of \$12,000,000 in general funds. The imprudent use of loopholes and unregulated transfers brought CPS to contract levels well beyond budgeted amounts, which placed other programs within the Department at risk of insolvency. In recognition of these issues, the Department has consolidated duplicate services and requested remaining service providers to solicit alternative funding sources to supplant general funds.

Unfortunately, with concurrent federal reductions to TANF and the loss of ARRA and emergency assistance funds, the Department could not reduce CPS' expenditures to the originally budgeted amounts, and had to completely eliminate funds for domestic violence services. Given the importance of these services to Hawaii's vulnerable populations and the Department's thoughtful review and consolidation of existing contracts, your Committee has provided funding for the remaining shortfalls to ensure the continuity of remaining contracts. To this end, general funds in the amounts of \$6,880,719 for child welfare service contracts, \$390,000 for spouse and child abuse support programs, and \$1,530,000 for domestic violence contracts have been provided by your Committee to CPS.

The prior administration's mismanagement of the Department's budget records and untenable contract expenditures continue to impact the Department's operations. In fiscal year 2011-2012, the Department resorted to transferring money out of health care payments to fund salary shortages that resulted from uncategorized fund transfers out of various programs. Consequently, a number of emergency appropriations were made necessary at the start of this calendar year to fund these shortfalls. In an effort to mitigate such

operational inefficiencies, the Department has come forward with a supplemental budget request that asserts improved transparency and sustainable service levels by means of a fully funded budget.

Your Committee hopes that the Department has accurately assessed its budgetary needs and that the supplemental request for funds to cover payroll shortages is what is truly necessary to make the Department whole. On this basis, your Committee has allocated a net sum of \$5,177,779 in general funds directly to programs identified by the Department as being under- and over-budgeted with the intent of establishing fully funded positions in the divisions left impaired by prior year reductions.

Health

Your Committee understands the importance of health care and the services that protect the well-being of people in Hawaii. The Department of Health absorbed significant budget cuts in prior years and has assisted in identifying savings with minimal impact to core health services. In addition, the Department proposes to reorganize operations and consolidate programs that serve similar functions. Your Committee supports the Department's reorganizational efforts to achieve cost savings and meet targeted reductions without compromising the level of services to the public.

Your Committee is aware of the need for a single, coordinated system of information and access for our elderly and disabled population. Currently, none of the aging and disabilities resource centers meet the administration's requirements of being a fully functional site. Therefore, your Committee has provided \$1,400,000 in general funds to support expanding, streamlining, and enhancing the aging and disabilities resource centers statewide. This coordinated system will increase access and information on support services, thereby minimizing confusion, enhancing individual choice, and supporting informed decision-making for our kupuna. In addition, this expansion will improve the State's ability to monitor and manage resources through centralized data collection and evaluation. This funding will enable all county aging and disability resource centers to be fully functional by 2015.

Your Committee is conscious of the childhood obesity problem on our islands. Hawaii's childhood obesity rate has continued to increase over the past decade, with higher prevalence and severity in underserved communities. Obesity is linked to many chronic health conditions as well as increased healthcare costs. Consequently, your Committee understands that this is an issue that requires a well planned and sustainable approach. Thus, your Committee has provided \$250,000 in general funds and \$250,000 in tobacco settlement special funds to support the establishment of a childhood obesity and diabetes program. This program will increase the level of obesity and diabetes-related services, promote awareness, enhance research and data collection, and create a task force to develop long-term solutions to this growing problem.

The Department's State Planning and Development Agency (SHPDA) promotes high quality healthcare accessibility at reasonable costs. To this end, they investigate health care costs, promote cost-saving techniques, and coordinate health planning for the State. The program administers and utilizes certificate-of-need applications and fees to accomplish these goals. Given the uncertain nature of SHPDA's program revenue from applications and fees, your Committee supports maintaining SHPDA positions through the use of general funds until the program is able to sustain itself through revenue collection.

Hawaii Health Systems Corporation

Your Committee recognizes the Hawaii Health Systems Corporation's (HHSC) role as a principal healthcare provider to Hawaii's most vulnerable citizens and visitors, especially those on the neighbor islands. HHSC is under increasing pressure as healthcare costs continue to rise while federal and private reimbursement rates decline.

Your Committee is cognizant of the outstanding loan between Maui Memorial Medical Center (MMMC) and the State of Hawaii, as a result of operating deficits caused by the financial market collapse in 2008. MMMC has made progress in correcting structural imbalances, enhancing its profitable services, and serving the needs of the community more effectively. However, MMMC still bears the financial pressure that all hospitals face. In an effort to ameliorate this, your Committee has provided \$10,000,000 in general funds for payment to settle and fully satisfy MMMC's outstanding loan to the State.

Your Committee is aware of the difficulty that the State encounters in recruiting and retaining physicians, especially in rural communities on the neighbor islands. The East Hawaii region faces a shortage of over one hundred and fifty physicians, with this number expected to increase in the coming years as more doctors retire. Therefore, the recruitment of primary care physicians is important to meet the growing needs of the community. In order to expand the training, recruitment, and retention of primary care physicians, your Committee proposes the establishment of the Hawaii Health Systems residency programs (Health214). In addition, your Committee has provided \$400,000 for the Hilo Medical Center (HMC) residency program. As the largest hospital on the island, HMC continues to serve the needs of its patients, regardless of their ability to pay.

The administration's budget request included a \$10,100,664 general fund reduction to account for HHSC's projected labor savings. However, by virtue that HHSC is a twenty-four-hour a day operation, this projected savings amount cannot be met. The Department of Human Services currently utilizes HHSC's certified losses from medicaid, QUEST, and uninsured patients as the basis for drawing down additional federal dollars from the medicaid program. A portion of these amounts are then distributed to the private hospitals to mitigate their uncompensated care losses and to provide them with medicaid disproportionate share hospital payments.

Your Committee recognizes the importance of state and private hospitals in providing access to health services for medicaid beneficiaries. Moreover, your Committee encourages further discussion between HHSC, the Department of Human Services, and private hospitals to develop methods to maximize the amount of federal dollars received for uncompensated care. This would enable HHSC to retain part of the amount currently used to support private hospitals. Your Committee considered the amount HHSC would be able to secure on this basis and has accordingly adjusted its labor savings reduction to \$7,500,000.

Education

Your Committee remains concerned with the Department of Education's management of state funds in relation to its ability to achieve general learner outcomes for all public school students and adequately prepare Hawaii's youth for post-secondary education and careers. Your Committee finds it contrary to the Department's mission to regularly use funds intended for the classroom and student achievement to fund administrative and support services' shortfalls.

To be clear, your Committee believes funds provided for public education are generally best directed for expenditure by schools. During the Department's January 19, 2012, briefing of your Committee on its supplemental budget request, discussion centered on the Department's goal for the proportion of appropriations that should be expended at the school level. Through its reaction during the briefing and subsequent written response, the Department made clear that it has no such goal.

Your Committee finds the concept that school directed expenditures are the preferred method for administering state resources is ingrained in state law. Section 302A-1301(b), Hawaii Revised Statutes, addresses this issue. Among other things, the section requires that:

Not less than seventy per cent of appropriations for the total budget of the department, excluding debt service and capital improvement programs, shall be expended by principals.

Your Committee understands that several aspects pertaining to how funds are budgeted for the Department have changed over the years. Nonetheless, your Committee is confounded by the Department's apparent disregard or ignorance of laws that govern it. Your Committee expects the Department to review this law and plan accordingly.

The administration's request to increase the weighted-student formula (WSF) general fund appropriation by \$13,557,502 for enrollment growth comes on the heels of a large reduction the Department, itself, imposed on the program. The Department reduced WSF by \$7,780,000 through its allocation of a \$16,400,000 budget reduction. While the Department requested that the initial reduction be placed entirely in school based budgeting (EDN100), purportedly for flexibility to manage the amount administratively, your Committee expected that schools would be prioritized. Unfortunately, your Committee finds that WSF shouldered a substantial portion of the reduction. Your Committee has significant concerns regarding the amount of the reduction apportioned to the classrooms and the logic of then requesting additional funds for the same purpose. Your Committee further finds that the Department has historically transferred money out of WSF to cover shortfalls in other programs and has used general fund savings generated from federal dollars designated for WSF to finance the distended and highly-criticized student transportation contract costs.

Your Committee has expressed concerns about the Department's transfer of funds in the past and expects that the Department will follow through with its assurances that funds added to WSF in this supplemental budget will be allotted directly to the schools. Under the assumption that this pledge is upheld, and in conjunction with supplementary legislative measures and provisions that will encourage the Department to expend funds as intended by the Legislature, your Committee believes that appropriations to WSF are wise investments in Hawaii's future.

In accordance with the concept that state funds are best spent at the school level under the direction of principals, your Committee provided \$15,000,000 for the WSF. This funding will increase the amount provided to schools from between \$79.70 and \$92.61 per student, depending upon weighting factors. This translates into tens of thousands and, in some cases hundreds of thousands of dollars, for each school, based largely on student enrollment.

Distinct from your Committee's dedication to providing the resources necessary to achieve quality education in the classroom, is your Committee's unwillingness to fund unfettered bus contract price costs in the amount of \$42,000,000 in general funds, as requested by the Department. During the 2011 Regular Session, the Legislature adamantly rejected the Department's request for \$19,582,270 for student transportation contract costs for the fiscal year 2012-2013. Further, the Legislature reduced an additional \$20,000,000 for non-mandated student transportation costs, effectively eliminating its budget for these services. The Legislature then required the Department to complete a comprehensive analysis to assess alternatives and various options and to evaluate needed service levels in all districts in order to provide sufficient justification for transportation services. Unfortunately, despite the Legislature's efforts to promote prudent spending practices and fiscal accountability, the Department has produced scant viable options to significantly reduce contract costs and initiate change in their operations.

Your Committee is troubled by the Department's lack of action. However, student transportation services generally provide a safe and convenient option for getting students to school and are heavily relied upon in several areas of the State. Thus, your Committee has provided \$23,000,000 in general funds to sustain student bus services where they are needed most. The availability of this funding is conditioned upon a needs based assessment of routes and the Board of Education's determination of which routes to fund. Your Committee notes that the \$23,000,000 provided in this year's budget is fifteen per cent more than the funding provided for fiscal year 2011-2012.

Adult education plays an integral role in improving the quality of life for many of Hawaii's residents. Services offered through the adult education program work to increase literacy rates statewide and help to provide individuals with degrees, career path opportunities, and workplace development. Unfortunately, fiscal conditions from the recent recession eventually led to an elimination of the Department's allotment to the adult education program for fiscal year 2012-2013. Without state support, adult education is at risk of losing its federal dollars as well.

Your Committee appreciates the valuable services adult education provides and recognizes the considerable amount of effort the program's project managers have made to reduce operation costs without compromising service levels and course offerings. As such, your Committee has appropriated \$2,500,000 in general funds to support the community school for adults program operations and maintenance of effort requirements.

Your Committee appreciates the importance of early education for Hawaii's keiki. The period from birth to age five is the most critical period of learning in a child's life. The junior kindergarten program, which currently provides public education to targeted four year-olds, is scheduled to sunset in school year 2014-2015. As such, your Committee has provided \$250,000 to establish the Executive Office on Early Learning and the Early Learning Advisory Board, which will transition the junior kindergarten program to the keiki first steps program in school year 2014-2015.

In 2010, the federal government enacted the Healthy Hunger-Free Kids Act, initiating significant improvements to school meal and child nutrition programs. These programs provide low-income children with increased access to healthy food. The Act mandates states to increase student meal prices to correspond with the rates subsidized by the United States Department of Agriculture (USDA) to encourage program integrity and discourage the use of subsidized meal prices for students outside the low-income eligibility rates.

While your Committee agrees with the USDA to better regulate federal subsidies, it cannot be ignored that the slow recovery of our nation's economy has placed many families just beyond eligibility for a free or reduced-price meal for their children.

During the 2011 program review, the Department indicated that by increasing student meal prices from \$1.00 (elementary) and \$1.10 (secondary) to \$1.70 (elementary) and \$1.85 (secondary) for breakfast, and from \$2.25 (elementary) and \$2.50 (secondary) to \$3.10 (elementary) and \$3.35 (secondary) for lunch, Hawaii will have made the total required increase for the Healthy Hunger-Free Kids Act and will generate an additional \$6,100,000 in special fund revenues. Your Committee recognizes the Department's efforts to comply with the USDA requirements and state program review initiatives, but is concerned with the impact such a substantial increase will have on families just outside income eligibility requirements for free and reduced meals. As such, your Committee has reduced just half of the requested \$6,100,000 general fund reduction to allow for a transition to the higher student meal prices. The additional \$3,050,000 in general funds provided to the Governor's requested budget will mitigate the need to fully raise student meal prices and the financial pressure higher meal prices will place on families.

Your Committee is concerned with the levels of student achievement in the State's public schools. In December of last year, the State was admonished by Race to the Top officials for its significant lack of progress in the first year of the \$75,000,000 four-year federal grant. Federal officials put the State on "high-risk" status and cited "unsatisfactory delays" and a lack of urgency in the implementation of the education reforms Hawaii had committed to upon receipt of the grant. Other federal education dollars will soon be scrutinized for sequestration in Congress' Budget Control Act and comparable deficit reduction strategies. It would be most unfortunate to lose federal funds that have already been awarded. As such, your Committee cautions the Department against any future delays that may result in the retraction of the remaining award and encourages the Department to accelerate progress on its commitments to the Race to the Top grant program.

Charter Schools

Prior to the start of this Regular Session, Hawaii's public charter school system underwent a performance audit and governance overhaul by two separate state entities. The Auditor rebuked charter schools as misinterpreting state law, misusing funds, and having "autonomy without accountability." Around the same time, the charter school governance, accountability, and authority task force conducted a comprehensive review of the relationships, responsibilities, and lines of accountability and authority among stakeholders of Hawaii's charter school system, pursuant to Act 130, Session Laws of Hawaii 2011. Both entities determined that in order to improve the charter school program's integrity and ability to meet performance objectives, significant changes would have to take place.

In accordance with the findings and recommendations of the task force, the Senate Committees on Education and Ways and Means have moved S.B. 2115, S.D. 2, forward in hopes of establishing a new charter school law that effectuates a solid governance structure with clear lines of authority and accountability to foster improved student outcomes. Your Committee finds that this measure is a starting point to address the deficiencies identified in the existing charter school system. Your Committee has provided \$500,000 to support timely implementation of the charter school transition plan, as described in S.B. 2115, S.D. 2.

Funding for charter schools is premised on the concept of providing operating funds in an amount equal to that provided for regular education students on a per pupil basis. Your Committee finds the Department of Budget and Finance's calculation for this funding amount for fiscal year 2012-2013 to be in error, double counting certain facility related costs within the Department of Education budget. The Department of Budget and Finance also used a reduced projected enrollment of 9,973 for charter schools in its calculations.

Your Committee has provided \$1,031,902,385 for all regular education cost categories to the Department of Education. This amount does not include funding for special education services and adult education. The Department of Education has a projected enrollment of 174,332 students for fiscal year 2012-2013. This equates to a funding amount of \$5,919.18 per student.

Your Committee used the charter schools' projected student enrollment of 10,431 in its calculation of an appropriate funding level. Under use of this enrollment figure, the charter schools' appropriation must be \$61,742,960 to achieve a per pupil funding amount equal to regular education students. Thus, your Committee has denied an executive request to reduce the charter schools' budget by \$76,008 and has instead provided an additional \$417,343 in general funds to achieve this end.

Projected student enrollment and comparable funding for charter school and regular education students has been an ongoing point of contention for many interested parties. Your Committee will continue to assess the validity of using the charter schools' projected enrollment number in its calculations. However, to ensure funding amounts provided for regular education and charter school students on a per pupil basis are equal, your Committee requires the Director of Finance to make an appropriate adjustment based upon actual student enrollment that will account for any errors in student enrollment projections.

Libraries

Your Committee finds that in times of fiscal constraint, the demand for free and public services increases. Commensurate with this trend, Hawaii's libraries are reporting record high usage, with a steady flow of physical visits and electronic access rates increasing nearly thirty per cent from 2009 to 2011. Hawaii's public libraries are struggling to meet this rising demand due to budget reductions and an increasingly competitive e-book industry in the private sector. Currently, Hawaii's libraries are managing a budget that has been reduced by over \$3,000,000 over the last three years, and must utilize the modest collection of late fees and lost book fines to purchase any additional materials. Your Committee recognizes the valuable services libraries provide and is mindful of the need to modernize public services to keep pace with advancements in technology. Accordingly, your Committee has provided \$500,000 to the Hawaii State Public Library System for the purchase of books, e-books, and other circulatory materials.

University of Hawaii

The University of Hawaii system is the State's premier institution for higher education, a nationally recognized research university, and a local economic driver. While the University system is experiencing unprecedented increases in enrollment across all campuses, your Committee recognizes its ability to accommodate its growing student population through tuition revenue.

The University of Hawaii West Oahu (UHWO) will open the new Kapolei campus this fall. The campus will feature several unique degree and certificate programs, as well as new laboratories, a resource center, library, campus center, and more. UHWO's enrollment is projected to increase an additional twenty per cent for the upcoming school year. This increase will require additional faculty in heavily concentrated and new program areas. Your Committee is dedicated to providing support for the new campus and its goal of raising the educational and economic attainment levels in the West Oahu region. As such, your Committee has provided sixteen positions and \$900,000 in general funds for the University to recruit faculty in business, creative media, accounting, Hawaiian studies, and other areas of study.

Your Committee understands the importance of increasing the enrollment and graduation rates of native Hawaiian students throughout the university system. In accordance with this goal, your Committee commends the success of the Na Pua Noeau program, an educational enrichment and college preparatory program for native Hawaiians in grades K-12. Through site visits, leadership programs, and other learning activities, this program has maintained a long-standing history of successfully increasing the native Hawaiian admission and graduation rates within the university system. Thus, your Committee has provided eighteen positions and \$700,000 in general funds to expand and institutionalize na pua noeau statewide. This will allow the program to provide outreach to more students, enhance the science, technology, engineering and math (STEM) activities, and provide better coordination among all the University of Hawaii campuses.

Your Committee acknowledges the significance of preparing students in the STEM fields to the future of Hawaii. In order to further advance and support the University's goal of increasing STEM initiatives in higher education, your Committee has provided \$2,396,982 in general funds. In addition, your Committee has provided positions and \$300,000 to establish an engineering consortium to recruit and retain students in this field across all campuses.

The Academy for Creative Media empowers students to express their stories through multiple digital media platforms within a context of cultural and aesthetic value. In support of expansion of the Academy's film and digital media programs statewide, your Committee has provided \$2,129,967 in general funds to build capacity for workforce growth and to support the growing needs of multi-media industries. In addition, your Committee has provided \$51,674 for fiscal year 2011-2012 and \$236,203 for fiscal year 2012-2013 for the Uluulu Henry Kuualoha Giugni Moving Image Archive of Hawaii, which preserves film and videotape related to Hawaiian history and culture.

Enrollment at the University of Hawaii community colleges has increased steadily for the past several years. Your Committee is cognizant of the success of the performance based funding that is employed by the community colleges in rewarding campuses that exceed measurable outcomes. To this end, your Committee has provided \$2,000,000 in general funds to strengthen the incentive for the community college campuses to surpass their goals.

Your Committee understands the importance of integrating current technology into our public school system. As such, your Committee has provided \$1,000,000 in general funds to launch a one-to-one laptop initiative pilot program, with the ultimate goal of providing all of Hawaii's public school children grades K-12 with a laptop or tablet-like device to use as an integral part of their learning experience.

The Office on Mauna Kea Management recently received approval from the Board of Land and Natural Resources on their comprehensive management plan. This plan solicited community input throughout its development, in addition to offering ongoing education and continued community consultation in the management of Mauna Kea's resources. Your Committee has provided seven positions and \$650,000 in general funds to implement this plan.

Your Committee is concerned with the University's growing maintenance backlog and reliance on general funds and general obligation bond funds for capital renewal needs. To address immediate capital renewal needs, your Committee has provided eleven positions and \$600,000 in special funds for the University to recruit additional personnel to implement repairs more efficiently. In addition, your Committee has required the University to submit a report detailing a long-term expenditure plan on funding its capital renewal needs through the use of its own revenues.

Your Committee remains adamant that the University fund, through its resources, all costs associated with salary snapbacks, paybacks, and any other collective bargaining increase associated with the University of Hawaii Professional Assembly (UHPA). Accordingly, your Committee reduced the University's general fund appropriation by \$3,096,600 to reflect, as modified for prior year budget adjustments, the additional amount that the Department of Budget and Finance will incur as a result of higher fringe related costs for the UHPA agreement in relation to other collective bargaining agreements.

Your Committee is aware of the overcompensation of funds for furlough restoration that the University received last year. For fiscal years 2011-2012 and 2012-2013, this restoration amount equates to nearly \$12,000,000 more than the preceding year's furlough reduction amount. To rectify this, your Committee reduced the University's general fund appropriation by \$5,908,922 to reflect the surplus amount for fiscal year 2012-2013, thus allowing the University to retain the additional moneys received for fiscal year 2011-2012.

Budget and Finance

Fixed costs such as debt service, retirement system, and health benefit payments comprise one-third of the State's total general fund budget. These components require annual adjustments based upon assumptions for interest rates, payroll growth, and membership growth, which are beyond your Committee's ability to modify on a near term basis.

The Department of Budget and Finance continues to confront fiscal challenges and operational deficiencies wrought by the previous administration. Tasked with the broad scope of managing the state budget and effectively allocating state resources, the Department

has spent the last year reprioritizing operational functions and fostering sustainable levels of service delivery. This has proven to be a significant undertaking, and the Department has struggled to meet national reporting requirements due to the absence of prior year financial statements and loss of staff. In the Hawaii Employer's Union Benefit Trust Fund (EUTF) program, a delay in the fund's audit contributed to the delayed issuance of the State's comprehensive annual financial report upon which bond issuances and credit ratings are based.

The treasury branch experienced considerable delays in processing temporary deposit receipts (TDR) following the reduction-in-force in fiscal year 2009-2010. Processing TDR's increased from one or two days to forty-two days and resulted in restricted access to state funds for several agencies. Your Committee finds that the Department's current staffing level is not operationally sustainable and, thus, has restored the needed position and funding.

Most funds available under the American Reinvestment and Recovery Act (ARRA) will be used by the close of fiscal year 2012-2013. In an effort to ensure the proper closure of remaining ARRA grants, your Committee has reestablished positions and provided funds for the Office of Economic Reinvestment and Recovery. Your Committee understands that these positions will help the State to meet ARRA expenditure reporting requirements in a timely manner and avoid unnecessary penalties from the federal government.

The retirement benefit changes per Act 163, Session Laws of Hawaii 2011, necessitated major changes in the State's existing Employees' Retirement System (ERS) software. The State's pension administration system contract requires that all programming changes be contracted through the vendor, otherwise voiding the system's warranty. Your Committee has been assured that the quoted sum of \$6,033,000 in other funds is a realistic estimate, after having monitored cost of service in the private sector and reviewed the extensive services necessary to implement the change. As such, your Committee has fully funded the request for the ERS' system reprogramming needs.

The Hawaii EUTF has also been tasked with significant changes in benefits plans and has had to expand the scope of the EUTF software to not only include civil unions but also transition in Hawaii State Teachers Association members formerly covered under a voluntary employee beneficiary association. The Department has reported that the need to make these changes in a timely manner has overextended staff and created challenges in retaining employees. As such, your Committee has established permanent position counts and funds to address the operational deficiencies in the EUTF program.

In accordance with the Governor's initiative to right-size government, the 2011 Legislature required the Department to identify \$50,000,000 in program review savings for fiscal year 2011-2012 and fiscal year 2012-2013 and approximately \$88,200,000 in labor savings, across all departments. The Department managed the program review reduction by requesting proposals that met targeted savings amounts from each of the departments and submitted the statewide program review to this Legislature. Labor savings transferred into state retirement benefits program were reported as:

\$69,500,000 for fiscal year 2011-2012 and \$69,560,000 for fiscal year 2012-2013 in direct labor savings reductions from state departments; and indirect labor savings of \$18,700,000 for fiscal year 2011-2012 and \$18,640,000 for fiscal year 2012-2013 in indirect labor savings [based] upon revised projections for pension accumulation contributions and Social Security/Medicare costs resulting from lower gross direct labor costs for fiscal years 2012 and 2013,

However, the delayed implementation of the 2011 legislative adjustment to the state contribution amount from a 60/40 per cent (employer/employee) split to 50/50 for health benefit premiums resulted in additional EUTF costs for the first five months of fiscal year 2011-2012. As such, your Committee has provided \$1,738,963 in general funds for fiscal year 2011-2012 to adjust for these costs. Concurrently, the decrease from fourteen days of directed pay without leave in fiscal year 2011-2012 to thirteen days for fiscal year 2012-2013, in accordance with bargaining unit (1)'s revised contract, necessitated further adjustments to the departmental administration program. As such, your Committee has provided approximately \$2,500,000 in all means of financing for fiscal year 2011-2012 and approximately \$3,600,000 in all means of financing for fiscal year 2012-2013 to adjust for this change.

Public Safety

Hawaii's dependence on out-of-state prisons has been a cause for concern for the last several years. As of 2011, approximately one-third of the State's adult prison population is incarcerated outside of Hawaii. As a result, approximately \$50,000,000 is expended in mainland municipalities each year rather than the local economy. To date, State efforts to reduce the use of out-of-state prisons have been limited.

In June 2011, the efforts began pertaining to the Justice Reinvestment Initiative (JRI), a multi-state effort to reduce incarceration and recidivism rates through strategic data-driven policy development and public safety system investments. The goal is to bring incarcerated inmates back to Hawaii and appropriately prepare inmates for release.

From a financial perspective, your Committee supports the JRI and believes the strategic programs detailed in the Department of Public Safety's supplemental budget request will help the State achieve its JRI objectives. However, your Committee is concerned about the actual savings the initiative will generate by recently reduced estimates on savings. Nonetheless, your Committee has approved the transfer of \$4,744,257 from non-state facility funding to expand and establish programs corresponding to JRI.

Your Committee is aware that cooking equipment at various detention facilities is outdated and parts are no longer available for repairs and maintenance. Your Committee has provided \$291,000 for the replacement of the outdated equipment. It is your Committee's intent that these funds will ensure that inmates receive higher quality meals that will, in turn, improve their health.

In 2011, a new community standard for the Hepatitis C treatment was established with a markedly higher effectiveness rate than other available treatments. Your Committee believes that the Department should adhere to this new community standard to improve the health of those infected and reduce transmission rates in prisons. To this end, your Committee has provided \$1,216,000 in general funds for Hepatitis C treatment for incarcerated inmates. This funding will provide for a new higher standard for the prison population and provide hope to those that have not responded well to older treatments.

Land and Natural Resources

Despite previous budget reductions, the Department of Land and Natural Resources has remained committed to protecting, conserving, and managing Hawaii's unique and limited natural, cultural, and historic resources.

Your Committee understands the Department's role in maintaining Hawaii's most valuable assets. Hawaii's fresh water supply is not inexhaustible and is susceptible to local and global environmental changes. As such, it requires prudent management and protection. Only ten per cent of priority watersheds in the Hawaiian islands are currently protected. Through its watershed partnership program, the Department has identified high priority areas that remain unprotected. Since fence construction is the largest cost in protecting watersheds, your Committee has provided \$5,000,000 in general obligation bond funds to support the Governor's initiative to increase protection of priority watersheds throughout the State.

Your Committee also understands the need for the Department to increase its revenue sources in order to support this ten-year initiative. Thus, it is your Committee's intent that a portion of the revenue generated from S.B. No. 2511, S.D. 2, will be utilized to sustain this initiative. While your Committee recognizes the goal of the ten-year watershed initiative plan in safeguarding water resources for future generations, your Committee is cognizant of the fact that this will be the first year of the watershed initiative plan. As such, your Committee has required the Department to submit a detailed status report outlining implementation, funding, and any complications in advancing the initiative.

In response to the Governor's emergency proclamation of April 14, 2011, the Department has been working on relocating over four hundred nene geese near Lihue Airport on Kauai due to aviation safety issues. In light of their need for more resources, your Committee has provided eleven positions and \$800,000 in interdepartmental transfer funds from the Department of Transportation. The Department's nene relocation plan covers a five-year period and requires \$800,000 per year for the remaining four years in order to safely capture, relocate, and ensure the survival of this endangered species.

Your Committee is cognizant of the Federal Communications Commission mandate that requires the narrow banding of all state agencies' very-high frequency radio systems. Your Committee commends the Department for assessing their remaining wideband radio inventory and determining the level of support needed in order to adhere to this mandate. Thus, your Committee has provided \$750,000 for the Department to finish updating their green net radio system by January 1, 2013, in order to avoid federal penalties.

Your Committee also understands the importance of integrating information technology into existing statewide systems in order to increase access, transparency, and cost savings in the future. To this end, your Committee has provided \$400,000 to digitize land documents, and \$97,700 to implement a statewide video conferencing system, for the benefit of public access.

Your Committee acknowledges the Public Land Development Corporation's need for additional resources in order to serve as a liaison for public-private land partnerships. Thus, your Committee has provided three positions and \$350,000. Additionally, due to increasing demand for geothermal energy resources, your Committee has provided two positions and \$287,935 for geothermal management functions in water and land development.

Agriculture

Agriculture is an integral part of Hawaii's history and goal of achieving a more diversified economy. Your Committee is dedicated to promoting agricultural self-sufficiency, conserving farmland resources, and preventing the establishment of invasive species statewide.

Your Committee recognizes the importance of keeping water available and affordable to all classes of consumers across the State. The State's irrigation systems, some having existed for over a century, require continual repair, maintenance, and upkeep. The irrigation systems program is short staffed, delaying repairs and maintenance that will only increase future costs. As such, your Committee has provided five irrigation positions and changed the means of financing from revolving funds to special funds for six positions serving the systems on the islands of Oahu, Molokai, and Hawaii. In addition, your Committee has converted two positions from temporary to permanent for the creation of the Agricultural Infrastructure Branch to manage irrigation systems and other infrastructure resources statewide.

Your Committee is aware that prior year reductions have negatively impacted the management of invasive species in Hawaii. Your Committee is also aware that certain federal aviation grants and fee deposits are terminating. To mitigate these effects, your Committee has provided nine positions and \$215,568 for quarantine inspectors to be located at Kahului Airport. In addition, your Committee has changed the amount and means of financing for twenty positions from \$1,562,938 in special funds to \$1,116,384 in general funds, in accordance with the United States Department of Transportation's declaration terminating air carrier cargo fee deposits to the pest inspection, quarantine, and eradication fund.

Your Committee has also provided two positions and \$169,859 for the creation of the Agricultural Land Branch in the Agricultural Resource Management Division of the Department of Agriculture, which will manage the Department's land resources including agricultural park and non-agricultural park lands.

Your Committee acknowledges the personnel challenges faced by the Department's Measurement Standards Branch. Prior year reductions have eliminated all but one inspector for ethanol measurement services statewide. As a result, inspections have been limited to Oahu and gas pumps on neighbor islands have gone unchecked. As such, your Committee has provided four positions and \$420,000 to improve services, including regular inspections statewide.

Business, Economic Development, and Tourism

Last year, your Committee expressed concerns regarding the Department of Business, Economic Development, and Tourism's habit of reorganizing through the budget without consulting the unions. Commensurate with these concerns, the Legislature denied transfers that would affirm the reorganization in the budget and urged the Department to postpone implementation until a formal reorganization process was initiated. The Department responded by working with the appropriate union officials and the Department of Budget and Finance to develop an implementation plan that incorporated input from all affected parties and, pursuant to Act 164, section 122, Session Laws of Hawaii 2011, submitted a report to the Legislature detailing the reorganization process. By the Department's efforts,

your Committee finds that last year's concerns have been addressed. Therefore, your Committee has approved the transfers of positions and funds that reflect the Department's reorganization plan for fiscal year 2012-2013.

Your Committee recognizes the Department's significant role in piloting programs and projects that align with the Governor's broadband initiative to develop a modern broadband infrastructure in Hawaii. However, your Committee believes that the requested pilot projects for both the e-gov upgrades and one-to-one laptop initiative may be better situated under departments with a stronger nexus to the projects' core objectives. To this end, your Committee has provided requested funds, such as the e-gov upgrades, through the Office of Information Management and Technology, and the one-to-one laptop broadband initiative shall be administered by the Science, Technology, Engineering, and Mathematics program of the University of Hawaii.

The presence of unexpended grant funds in the United States Department of Energy has permitted states, including Hawaii, to modify energy grant awards and extend federal funding to the end of this calendar year. Your Committee continues to support the Department's strategic involvement in this growing industry and has authorized the expenditure of \$1,423,814 in federal stimulus funds for state energy projects and activities related to the Hawaii clean energy initiative, in accordance with the State's successful grant extension.

Taxation

Your Committee appreciates the Department of Taxation's attempts to waive the fee for Hawaii taxpayers to electronically file tax returns. However, your Committee finds the ongoing payment of fees with state dollars to be an unsuitable method of mitigating fees paid by the public. Accordingly, your Committee encourages further discussions with the Hawaii Information Consortium on the administration of electronic filing service fees.

Your Committee recognizes the importance of tax collection and compliance for the State. As such, your Committee has provided ten revenue generating positions. These positions will increase collections by approximately \$2,000,000 in the first year and will continue to facilitate higher collections in subsequent years. Your Committee acknowledges the changes and improvements made in the processing of state tax returns. Your Committee has provided three positions to further enhance the Department's efforts.

Commerce and Consumer Affairs

Your Committee recognizes the Department of Commerce and Consumer Affairs' need to be current and compliant as it pertains to licensing and information technology in order to offer secure and uninterrupted services. The Department's computer operating software has not been updated in ten years. The State has been informed that if updates are not administered by April 2014, the Professional and Vocational Licensing Division's computer operating system will become outdated and unable to support future upgrades from the system's vendor.

Your Committee is concerned over the repercussions this may cause to the applicant licensee integrated automated system (ALIAS), which is dependent on the computers in the Professional and Vocational Licensing Division. An interruption in ALIAS operations would severely affect state functions and could adversely impact the over three hundred thirty thousand licensees, from over forty-seven different professions that the system serves. To address this concern, your Committee has provided \$400,000 from the compliance resolution fund for the purchase of services and software related to ALIAS updates. Your Committee has approved an additional \$205,000 from the compliance resolution fund for information technology improvements, including the replacement of seven year old servers that have exceeded their warranty, and for subscription to a disaster recovery service.

In compliance with Act 208, Session Laws of Hawaii 2010, your Committee has provided \$114,532 and two positions for the new registration of individual security guards. Initial funding provided from the compliance resolution fund will be reimbursed using fees collected from individual guards.

Your Committee has authorized expenditure increases to accommodate increased incidental costs of the Department. To address maintenance fee increases from the Department of Accounting and General Services, your Committee provided \$117,341 in compliance resolution funds. Your Committee has also provided \$350,000 in compliance resolution funds to cover management and financial audits required by Act 19, Session Laws of Hawaii 2011, which requires the operation, supervision, and management of programs of public, educational, and government access facilities.

In support of the Governor's Hawaii broadband initiative, your Committee has provided \$2,500,000 in special funds for projects geared toward the implementation of a statewide broadband network in cooperation with county governments. This supports the provisions outlined in Act 199, Session Laws of Hawaii 2010, which require the Department to assist in the deployment and accessibility of a statewide broadband system.

Attorney General

To support the Department of the Attorney General's operations, your Committee has provided \$115,000 for the maintenance and operating costs of the automated fingerprint identification system and the juvenile justice information system. Both systems allow various government officials to identify criminal offenders and spread information about missing children. In addition, your Committee has provided \$72,000 for the continued operation of the child support payments in relation to Internal Revenue Service compliances.

Your Committee is concerned that funding deficiencies could result in the loss of important needed services. As such, your Committee has provided \$466,000, which will support an expiring grant-in-aid for support sex assault services available through Kapiolani Medical Center.

Your Committee understands that prior appropriation reductions have inhibited the Department's ability to fill positions. The Department must hold a significant portion of its positions vacant to meet savings targets. Your Committee has provided \$384,101 and moved an additional \$100,000 from other current expenses to personal services to enable the Department to fill mission critical positions in legal services. An additional \$140,000, matched on a two-to-one basis from federal sources, is provided for child support enforcement services for similar purposes. Your Committee notes that it has directed the Director of Finance to require that all

executive agencies provide more accurate budget information that clearly delineates how funds are projected to be used so that legislators will be better able to make budgetary decisions.

Accounting and General Services

The Department of Accounting and General Services is responsible for producing the State's comprehensive annual financial report (CAFR). The CAFR is generally expected to be produced six months after the end of the fiscal year. However, Hawaii's CAFR was subject to delays of fourteen months for fiscal year 2009-2010 and eight months for fiscal year 2010-2011. Timely submission of the CAFR is important to numerous state agencies and is used in determining state bond ratings. Thus, your Committee has provided \$80,000 to assist with the development of the CAFR. The Department will use the appropriation to hire an accounting firm for consultant services concerning timely production of the CAFR.

Your Committee recognizes the important role information technology has in state government operations. Strategic implementation of information technology initiatives can facilitate faster service delivery, increase transparency, and generate savings by reducing operational inefficiencies. The State's new chief information officer is in the process of developing the State's information technology strategic plan to transform Hawaii's information technology infrastructure.

The administration's highest priority initiative concerns repairs and updates to state systems in need of immediate attention for security or audit reasons. In furtherance of this project, your Committee has provided two positions and \$3,442,141 in general funds to the Information and Communication Services Division for technology triage. Additionally, two positions and \$1,825,000 in general funds has been provided for various information technology pilot projects. Further, your Committee has provided \$6,800,000 in general funds to initiate various business process and information technology reengineering projects. Among these are projects for electronic filing of tax returns, contracts processing dashboard, and streamlining film and media production permit processing to generate increased revenues and provide timely and comprehensive economic data.

Your Committee understands that economic conditions have caused a significant rise in energy costs. Despite state efforts to reduce energy usage, increases in electricity and utility rates have driven state utility costs beyond the Department's authorized budget. Thus, to accommodate cost increases, your Committee has provided \$4,769,000 in general funds to central services for rising energy and sewer costs and carry-over costs from fiscal year 2011-2012 shortfalls.

Transportation

Your Committee supports the Department of Transportation in its oversight and maintenance of the State's airports, harbors, and highways. Your Committee provided funds for debt service payments for both the airports and harbors. These funds will support modernization and refurbishment projects.

Your Committee is aware that rising energy costs have created a shortfall in the Department's ability to meet airport utility needs. The lack of available funds has caused various projects to be canceled or postponed. As such, your Committee has authorized \$17,160,000 in special funds to cover the deficit in utility costs, thereby eliminating the need to shift funds to manage shortfalls and to enable queued projects to resume.

Oahu highways are currently maintained by landscapers and general laborers. However, due to the varying skill-sets required for different services, the Department is limited in its ability to efficiently dispatch staff. The multi-skilled worker program allows a team of workers to be cross-trained in various skills, thereby improving the ability of existing staff to respond to multiple types of maintenance calls. As a result, overall response times will improve. Your Committee commends the Department's effort to increase efficiency through the multi-skilled worker program and has provided \$1,646,708 in special funds for this purpose.

Defense

The Department of Defense is uniquely situated to draw down significant sums of federal funds. As such, your Committee has provided \$167,500 in general funds that will draw down \$502,500 in matching federal funds to assist with modernization projects, including a twenty-five-meter zero range at Keaukaha on Kauai and electrical system infrastructure developments at Kalaeloa on Oahu.

The State Civil Defense Division provides important emergency services to the State, including coordinating private and public authorities, planning and mobilizing rapid response services and recovery efforts, and restoring essential public services. Your Committee has provided \$30,000 to help alleviate the burden of constant overtime costs on the Department by paying for overtime hours instead of awarding compensatory time-off.

Your Committee also recognizes the importance of state supported scholarship funds to the Hawaii Air National Guard tuition assistance program. Your Committee has provided \$100,000 in general funds to reestablish a National Guard tuition assistance program with the goal of boosting recruitment, which had experienced significant declines following the loss of tuition assistance funding.

Labor

Your Committee is concerned with the operations of the Department of Labor and Industrial Relations Hawaii Occupational Safety and Health Division (HIOSH). HIOSH faces a large outstanding backlog with limited staff, which is tasked with inspecting six thousand elevators and boilers in the State. Thus, your Committee has provided for the addition of ten positions to address the pressing issue of elevator safety.

Your Committee is also aware that the loss of critical staff positions has made the Department's daily operations more difficult. Among these were investigator positions for the Civil Rights Commission, which was abolished in the reduction-in-force in fiscal year 2008-2009. Accordingly, your Committee has provided funding to establish three investigator positions. These investigators will process housing and equal employment opportunity complaints, thus reducing current caseloads.

Hawaiian Home Lands

Your Committee recognizes the need to assess the modernization and digitization of the Department of Hawaiian Home Lands' database and records. Digitization could generate cost savings for the Department, provide easy access to useful information for other state agencies, and expedite the placement of qualified applicants into homesteads. Your Committee encourages the Department to work with the chief information officer to further this goal.

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 \$30,000,000 annual settlement deposit will be received in 2014. The ability of the Department to carry out its mission in the absence of these funds has been a continued concern of the Legislature. Your Committee finds that the Department has yet to provide a financial report outlining its proposal to fund operations following the discontinuation of settlement funds, as provisioned in prior years. Your Committee strongly recommends that a report be produced for the benefit of both the State and the Department of Hawaiian Home Lands, as most recently required by Act 164, Session Laws of Hawaii 2011.

Human Resources Development

Your Committee notes the Department of Human Resources Development's requested reduction of \$510,000 for unemployment insurance benefits. This request was a result of the administration's program review that sought to achieve state savings. Your Committee finds that the requested adjustment simply shifts costs to other state agencies and that no efficiencies or savings would be achieved. Accordingly, your Committee has restored this amount to the Department's budget so that it will continue to provide for the unemployment insurance benefits costs for affected state agencies.

VI. CAPITAL IMPROVEMENTS PROGRAM

Your Committee finds that in spite of signs that the State's economy is improving, the effects of the recession continue to be felt across the State, especially in the construction industry, which is still experiencing unacceptably high unemployment and few major new construction projects on the horizon. While investment in infrastructure and facilities is crucial for short-term economic growth and job creation, the need for a sustained program for economic growth is vital for a robust and growing economy.

Your Committee took very seriously the intent and focus of the Invest in Hawaii Act of 2012 in S.B. No. 2012 and its goal to drastically reduce the backlog of repair and maintenance projects in our State facilities by funding deferred maintenance projects for the Department of Education, Hawaii State Library System, University of Hawaii, University of Hawaii's athletic facilities, Department of Accounting and General Services, Department of Agriculture, Department of Defense, Department of Health, Hawaii Health Systems Corporation, Department of Human Services, Department of Land and Natural Resources, Department of Public Safety, and Judiciary. Consequently, your Committee removed all repair and maintenance projects included in the Invest in Hawaii Act of 2012 from the capital improvement program supplemental budget for fiscal year 2012-2013.

Your Committee finds that due to fiscal policies recently implemented by the administration, the State was able to obtain record low interest rates and realize significant general fund savings from the State's most recent re-financing and issuance of state bonds. Accordingly, the administration's capital improvement program supplemental budget, as amended pursuant to Governor's Messages, provided a total of \$724,503,000 for projects funded by general obligation (GO) bonds and general obligation reimbursable (GOR) bonds and \$2,501,622,000 for all projects funded by all means of financing. Similarly, your Committee, after carefully considering current economic conditions, along with the proposals, needs, and priorities of the administration and the departments, as well as consideration of the anticipated impact of the Invest in Hawaii Act of 2012, has provided a total of \$721,640,000 for projects funded by GO and GOR bonds and \$2,597,426,000 for projects funded by all means of financing.

However, your Committee, mindful of the administration's proposed debt service level, has followed a different approach from that of the administration in formulating its capital improvement program supplemental budget.

First, your Committee has reevaluated the funding for prior appropriated Executive Budget projects and, as a result, has lapsed funding for numerous projects in the amount of \$46,191,986. 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 advance the current priorities of the State.

Next, your Committee crafted a supplemental capital improvement budget that includes projects that are essential to achieving short-term economic stimulation, as well as projects that will help to stabilize the infrastructure to accommodate long-term growth. This supplemental capital improvement budget aggressively focuses on funding significant and critically-needed capital projects that can be undertaken immediately in fiscal year 2012-2013. This approach not only concentrates on the merits of the proposed fiscal year 2011-2012 funded projects, but also, more importantly, provides increased funding for several projects.

These projects:

- (1) Address many critical health, safety, and code requirements;
- (2) Reduce current repair and maintenance backlogs throughout several departments not included in the Invest in Hawaii Act;
- (3) Provide jobs for unemployed and underemployed residents; and
- (4) Provide the framework for growth and expansion of services, programs, and facilities.

Additionally, prior to fully funding the capital investment needs of the State for fiscal year 2011-2012, the Legislature has had the opportunity to monitor and reassess economic conditions; the needs and priorities of the State, administration, and departments; the ability of the departments to utilize the funds previously appropriated; and the adequacy and capacity of the State's workforce to deliver necessary services. Your Committee believes that this approach aided the Legislature in formulating a more comprehensive and responsive capital improvements program budget for fiscal year 2012-2013.

Education of our keiki has been the focus of the Legislature in recent years with passage of Act 167, Session Laws of Hawaii 2010, and Act 52, Session Laws of Hawaii 2011, that increase classroom instructional time for our public school students. With students spending more time in classrooms, it is imperative that those classrooms, buildings, and libraries are not only structurally sound but also conducive to learning. Your Committee has demonstrated its ongoing commitment to invest in public schools by including \$287,010,000 for classroom renovations and school building improvements in the fiscal year 2012-2013 supplemental budget. These include electrical upgrades to support the rapidly evolving technology that is imperative to keep students competitive in the global economy. Your Committee also addressed population growth in the Leeward districts on Oahu to relieve overcrowded schools – especially in the Campbell District Complex - by providing an appropriation of \$16,100,000 for Ewa Makai Middle School to build a sixth grade wing, thereby reducing the number of students at district elementary schools. Also to address the needs in Kihei, Maui, your Committee has provided \$20,000,000 for a new high school to reduce overcrowding and travel times for students.

Your Committee has also taken note of the needs of the University of Hawaii system in light of increased student enrollment on virtually all University of Hawaii campuses. Your Committee also realizes that because it is significantly more expensive – sometimes prohibitively so – for Hawaii students to pursue higher education out-of-state, it is incumbent on the Legislature to provide high school graduates with opportunities for an affordable and competitive education in-state. Your Committee provided \$38,000,000 for the construction of phase one for the University of Hawaii at Hilo College of Pharmacy, which will bring much needed jobs to the island of Hawaii as well as ensure the continued accreditation and growth of the only pharmacy program in the State. University of Hawaii West Oahu was provided \$9,000,000 for planning, design, and construction for the Academy for Creative Media facility as well as the allied health building, which will allow programs to expand beyond current offerings, and funding for the construction of additional infrastructure for the new campus. Your Committee also acknowledges that historically, some community colleges might not have been given much needed funding to keep up with the rise in student enrollment. Your Committee has therefore provided \$64,110,000 to support the community colleges, including \$10,000,000 for Kapiolani Community College to begin construction of the Culinary Institute of Pacific; \$36,000,000 for the construction of a Science and Technology Facility at Honolulu Community College; and \$7,500,000 for Hawaii Community College, allowing them to leverage more than \$9,000,000 from private funds to complete Phase I and II of the new campus.

Your Committee also recognizes that because of Hawaii's slow economy, many community programs run by non-profit organizations have had to reduce their level of services. Your Committee realizes the benefits of funding some of these programs and has therefore provided \$13,291,000 for non-profits in the 2011-2013 fiscal biennium budget.

Finally, the 2011-2013 fiscal biennium supplemental budget provides funding for various other capital projects that your Committee believes should be included at this time, but that may warrant additional discussion as the budget is further refined during the remainder of the 2012 Regular Session to meet the evolving needs and priorities of the State.

VII. CONCLUSION

Your Committee appreciates all those that have worked toward the development of the responsible expenditure plan represented by this measure. Further, your Committee looks forward to working with the House of Representatives and all other interested parties through the remainder of the Regular Session as it works to finalize this supplemental appropriations measure.

Your Committee has adjusted the Governor's operating supplemental budget request by appropriating through this measure \$5,443,503,333 in general funds and \$11,027,306,126 in all means of financing for fiscal year 2011-2012 and \$5,603,357,218 in general funds and \$11,164,672,688 in all means of financing for fiscal year 2012-2013.

Your Committee has also 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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2012, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2012, 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 (Slom). Noes, none. Excused, 1 (Dela Cruz).

SCRep. 3209 Transportation and International Affairs on S.R. No. 99

The purpose and intent of this measure is to request the President of the United States and the United States Congress to continue to ensure that United States advisory forces remain in Uganda until Joseph Kony is removed and stability is brought to the country.

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that Joseph Kony is one of the world's worst war criminals, taking over leadership of an existing rebel group in 1987 and renaming it the Lord's Resistance Army, which has earned a reputation for its cruel and brutal tactics perpetrated on Uganda's own people. For example, the Lord's Resistance Army is encouraged to rape, mutilate, and kill civilians, often with blunt weapons. This measure urges action by the federal government to end these cruel acts and aid in restoring stability in Uganda. The Lord's Resistance Army is no longer active in Northern Uganda, where it originated, but it is strongly suspected that it continues its campaign of violence in the Democratic Republic of Congo, Central African Republic, and South Sudan.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 99 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 3210 Transportation and International Affairs on S.C.R. No. 169

The purpose and intent of this measure is to request the President of the United States and the United States Congress to continue to ensure that United States advisory forces remain in Uganda until Joseph Kony is removed and stability is brought to the country.

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that Joseph Kony is one of the world's worst war criminals, taking over leadership of an existing rebel group in 1987 and renaming it the Lord's Resistance Army, which has earned a reputation for its cruel and brutal tactics perpetrated on Uganda's own people. For example, the Lord's Resistance Army is encouraged to rape, mutilate, and kill civilians, often with blunt weapons. This measure urges action by the federal government to end these cruel acts and aid in restoring stability in Uganda. The Lord's Resistance Army is no longer active in Northern Uganda, where it originated, but it is strongly suspected that it continues its campaign of violence in the Democratic Republic of Congo, Central African Republic, and South Sudan.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 169 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 3211 (Joint) Hawaiian Affairs and Public Safety, Government Operations, and Military Affairs on S.R. No. 33

The purpose and intent of this measure is to urge the counties to preserve property tax exemptions for kuleana lands.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs.

Your Committees find that the City and County of Honolulu and the Counties of Hawaii, Kauai, and Maui have exempted kuleana lands, which are owned by descendants of persons who received title to the lands through the Kuleana Act of 1850, from property taxes. These property tax exemptions do not significantly impact county tax revenues because there are only a few parcels in each county that are exempt but provide important tax relief to these property owners and encourage the protection of these historic lands.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs 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. 33 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Baker, Hee, Slom, Solomon).

SCRep. 3212 (Joint) Hawaiian Affairs and Public Safety, Government Operations, and Military Affairs on S.C.R. No. 74

The purpose and intent of this measure is to urge the counties to preserve property tax exemptions for kuleana lands.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs.

Your Committees find that the City and County of Honolulu and the Counties of Hawaii, Kauai, and Maui have exempted kuleana lands, which are owned by descendants of persons who received title to the lands through the Kuleana Act of 1850, from property taxes. These property tax exemptions do not significantly impact county tax revenues because there are only a few parcels in each county that are exempt but provide important tax relief to these property owners and encourage the protection of these historic lands.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs 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. 74 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Baker, Hee, Slom, Solomon).

SCRep. 3213 (Joint) Water, Land, and Housing and Hawaiian Affairs on S.R. No. 86

The purpose and intent of this measure is to urge the Department of Land and Natural Resources, Department of Health, and Office of Planning to streamline the permitting process for and consider certain alternatives to facilitate the restoration of Hawaiian fishponds.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Office of Planning, Department of Health, Office of Hawaiian Affairs, Kuli'ou'ou/Kalani Iki Neighborhood Board No. 2, Livable Hawaii Kai Hui, Kona Hawaiian Civic Club, Kailapa Community Association, South Kohala Hawaiian Civic Club, Kuakini Hawaiian Civic Club of Kona, and twelve individuals.

Your Committees find that fishponds continue to serve as a source of sustenance for communities and offer a wide range of educational opportunities. Unfortunately, the permitting and approval processes for fishpond restoration are cumbersome. Streamlining the process to foster fishpond restoration would ensure that these valuable and irreplaceable resources remain for future generations.

Your Committees have amended this measure by:

- (1) Inserting language to acknowledge the fact that the permitting process may vary according to the circumstances of the applicant; and
- (2) Clarifying the request to consider the use of one master conservation district use application process to apply to all Hawaiian fishponds.

Additionally, it is your Committees' intent to encourage the development of business plans for fishponds. Currently, restoration is the priority but it is also necessary to assess how fishponds may become revenue generating to become financially self-sufficient in the future. Your Committees believe that other possible economic development opportunities may also exist for fishponds.

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 concur with the intent and purpose of S.R. No. 86, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 86, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Slom, Solomon).

SCRep. 3214 (Joint) Water, Land, and Housing and Hawaiian Affairs on S.C.R. No. 151

The purpose and intent of this measure is to urge the Department of Land and Natural Resources, Department of Health, and Office of Planning to streamline the permitting process for and consider certain alternatives to facilitate the restoration of Hawaiian fishponds.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Office of Planning, Department of Health, Office of Hawaiian Affairs, Kuli'ou'ou/Kalani Iki Neighborhood Board No. 2, Livable Hawaii Kai Hui, Kona Hawaiian Civic Club, Kailapa Community Association, South Kohala Hawaiian Civic Club, Kuakini Hawaiian Civic Club of Kona, and twelve individuals.

Your Committees find that fishponds continue to serve as a source of sustenance for communities and offer a wide range of educational opportunities. Unfortunately, the permitting and approval processes for fishpond restoration are cumbersome. Streamlining the process to foster fishpond restoration would ensure that these valuable and irreplaceable resources remain for future generations.

Your Committees have amended this measure by:

- (1) Inserting language to acknowledge the fact that the permitting process may vary according to the circumstances of the applicant; and
- (2) Clarifying the request to consider the use of one master conservation district use application process to apply to all Hawaiian fishponds.

Additionally, it is your Committees' intent to encourage the development of business plans for fishponds. Currently, restoration is the priority but it is also necessary to assess how fishponds may become revenue generating to become financially self-sufficient in the future. Your Committees believe that other possible economic development opportunities may also exist for fishponds.

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 concur with the intent and purpose of S.C.R. No. 151, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 151, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Slom, Solomon).

SCRep. 3215 Commerce and Consumer Protection on Gov. Msg. Nos. 512, 513, 605, and 606.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PSYCHOLOGY

- G.M. No. 512 LISA CHUN FAT, for a term to expire 6-30-2015;
- G.M. No. 513 BRIAN COMBS, for a term to expire 6-30-2015;
- G.M. No. 605 MARGO PETER, for a term to expire 6-30-2016; and
- G.M. No. 606 CAROL NOWAK, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Lisa Chun Fat, Brian Combs, Margo Peter, and Carol Nowak to possess the requisite qualifications to be nominated to the Board of Psychology.

Your Committee received testimony in support of the nomination of Lisa Chun Fat from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Ms. Chun Fat is qualified to serve as a public member of the Board of Psychology. Your Committee notes that the nominee currently serves as an interim appointee on the Board of Psychology. In that capacity, Ms. Chun Fat has actively participated in Board discussions and has contributed valuable insights gained from her own knowledge, background, and expertise. Your Committee finds that the nominee's educational background as a student of mental health counseling and her commitment to community service will allow her to effectively represent the interests of the public on the Board of Psychology.

Your Committee received testimony in support of the nomination of Brian Combs from the Department of Commerce and Consumer Affairs and Department of Psychology at Tripler Army Medical Center.

Upon review of the testimony, your Committee finds that Dr. Combs' experience as a licensed psychologist, commitment to consumer protection, and proven leadership throughout his career qualify him for appointment to the Board of Psychology. Your Committee notes that the nominee has worked as a licensed clinical psychologist in Hawaii for almost twenty years and is one of only seven clinical neuropsychologists in the State who are board certified by the American Board of Professional Psychology/American Board of Clinical Neuropsychology. Your Committee further finds that Dr. Combs has leadership experience by virtue of his previous positions as Chief of Psychology at The Queen's Medical Center and the Rehabilitation Hospital of the Pacific. The nominee has a thorough understanding of the role and responsibility of board members and has been appointed to the Board of Psychology based on his knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Margo Peter from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Dr. Peter's experience as a licensed psychologist, dedication to the welfare of individuals and families who utilize mental health services, and proven leadership on the Board of Psychology qualify her for reappointment to the Board of Psychology. Your Committee notes that the nominee has a wide range of clinical experience with multiple diverse populations. As a psychologist in private practice, the nominee is able to bring her knowledge, background, expertise, and unique perspective to issues before the Board of Psychology. Your Committee further finds that the nominee has been reappointed to the Board of Psychology based on her knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Carol Nowak from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Dr. Nowak's experience as a licensed psychologist, commitment to serving the health and educational needs of the people of Hawaii, and proven leadership on the Board of Psychology qualify her for reappointment to the Board of Psychology. Your Committee notes that the nominee has worked in a variety of areas over the past two decades, including private practice, for non-profit and for-profit health agencies and companies, and teaching, supervising, and consulting in psychology. The nominee currently serves as the Vice Chairperson of the Board of Psychology and is familiar with local and national issues facing the practice of psychology; this knowledge has helped the Board in its process of amending its administrative rules. Your Committee further finds that the nominee has been reappointed to the Board of Psychology based on her 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. 3216 Commerce and Consumer Protection on Gov. Msg. Nos. 514, 515, 516, 517, and 518.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF VETERINARY EXAMINERS

- G.M. No. 514 ALAN KAUFMAN, for a term to expire 6-30-2014;
- G.M. No. 515 MICHAEL WOLTMON, for a term to expire 6-30-2013;
- G.M. No. 516 MELLISSA YUEN, for a term to expire 6-30-2015;
- G.M. No. 517 JOHN KAYA, for a term to expire 6-30-2016; and
- G.M. No. 518 JENEE ODANI, 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 Kaufman, Michael Woltmon, Melissa Yuen, John Kaya, and Jene Odani to possess the requisite qualifications to be nominated to the Board of Veterinary Examiners.

Your Committee received testimony in support of the nomination of Alan Kaufman from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Dr. Kaufman's experience as a licensed veterinarian, commitment to public service, and proven leadership qualify him for appointment to the Board of Veterinary Examiners. Your Committee notes that Dr. Kaufman has been a licensed veterinarian for over three decades. Dr. Kaufman's professional experience ranges from training with the International Wildlife Veterinary Services to working with the National Marine Fisheries Service and National Geographic to study underwater behavior of the Hawaiian Monk Seal and working with many types of animals at his veterinary practice. Dr. Kaufman has extensive community service experience and is familiar with serving on a public board, by virtue of his time as a board member of the Maui County Board of Ethics, the Maui County Public Safety Commission, and as an interim appointee to the Board of Veterinary Examiners. Your Committee further finds that Dr. Kaufman has been appointed to the Board of Veterinary Examiners based on his knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Michael Woltmon from the Department of Commerce and Consumer Affairs and four individuals.

Upon review of the testimony, your Committee finds that Dr. Woltmon's experience as a licensed veterinarian, desire to contribute to the community, and previous leadership experience qualify him for appointment to the Board of Veterinary Examiners. Your Committee notes that Dr. Woltmon has been a licensed veterinarian on the island of Kauai for over three decades. Dr. Woltmon has worked locally and internationally in agricultural endeavors, been part owner and operator of animal production facilities, and provided veterinary services to many species of animals at his veterinary practice. Dr. Woltmon is committed to public service and has served on the Hawaii Veterinary Medical Association executive board and as a high school athletics coach, and is currently an interim appointee to the Board of Veterinary Examiners. Your Committee further finds that Dr. Woltmon has been appointed to the Board of Veterinary Examiners based on his knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Melissa Yuen from the Department of Commerce and Consumer Affairs and five individuals.

Upon review of the testimony, your Committee finds that Dr. Yuen's experience as a licensed veterinarian, commitment to volunteering in the community, and leadership experience qualify her for appointment to the Board of Veterinary Examiners. Your Committee notes that Dr. Yuen has actively practiced veterinary medicine at a small animal veterinary clinic since 2006 and is accredited by the United States Department of Agriculture. Dr. Yuen has served the community as a volunteer for the Hawaiian Humane Society, Lokahi Adopt-A-Family Program, Institute of Human Services, and Rotary Club of Mililani. Dr. Yuen has leadership experience by virtue of her position as the President of the Honolulu Veterinary Society and is currently an interim appointee to the Board of Veterinary Examiners. Your Committee further finds that Dr. Yuen has been appointed to the Board of Veterinary Examiners based on her knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of John Kaya from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Dr. Kaya's experience in the field of veterinary medicine, commitment to public service, and proven leadership on the Board of Veterinary Examiners qualify him for reappointment to the Board of Veterinary Examiners. Your Committee notes that Dr. Kaya has been actively engaged in the practice of veterinary medicine since 1999. Dr. Kaya is a member of the American Veterinary Medical Association, Hawaii Veterinary Medical Association, Honolulu Veterinary Society, and Association of Exotic Mammal Veterinarians, which allows him to serve as a liaison to the primary organizations that establish and maintain national professional standards and regulatory criteria. Dr. Kaya has served on the Board of Veterinary Examiners for four years and is the current Chairperson of the Board of Veterinary Examiners. Your Committee further finds that Dr. Kaya has been reappointed to the Board of Veterinary Examiners based on his knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Jenee Odani from the Department of Commerce and Consumer Affairs and three individuals.

Upon review of the testimony, your Committee finds that Dr. Odani's diverse background in veterinary medicine, desire to contribute to the community, and interest in serving on the Board of Veterinary Examiners qualify her for appointment to the Board of Veterinary Examiners. Your Committee notes that Dr. Odani has been a licensed veterinarian since 1999, currently serves as an interim nominee to the Board of Veterinary Examiners, and is the only active, board-certified veterinary pathologist in the State. Dr. Odani currently works for the Hawaii Department of Agriculture, where she deals with diagnostic and regulatory issues. Dr. Odani is a source of invaluable information to the Board by virtue of her extensive involvement coordinating the Classical Swine Fever Surveillance cooperative agreement with the United States Department of Agriculture, Animal and Plant Health Inspection Service – Veterinary Services. Your Committee further finds that Dr. Odani has been appointed to the Board of Veterinary Examiners based on her 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 (Solomon).

SCRep. 3217 Commerce and Consumer Protection on Gov. Msg. Nos. 653, 654, and 655.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ACUPUNCTURE

- G.M. No. 653 JAMES CORCORAN, for a term to expire 6-30-2015;
- G.M. No. 654 MIKE HASHIMOTO, for a term to expire 6-30-2016; and
- G.M. No. 655 JAYNE TSUCHIYAMA, for a term to expire 6-30-2013,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds James Corcoran, Mike Hashimoto, and Jayne Tsuchiyama to possess the requisite qualifications to be nominated to the Board of Acupuncture.

Your Committee received testimony in support of the nomination of James Corcoran from the Department of Commerce and Consumer Affairs, Hawaii Oriental Medicine and Acupuncture Association, and one individual.

Upon review of the testimony, your Committee finds that Dr. Corcoran's academic qualifications, professional experience, continued advocacy for traditional Chinese medicine and acupuncture, and commitment to public service qualify him for appointment to the Board of Acupuncture. Your Committee notes that the nominee has a Ph.D. in Modern Chinese History and has engaged professional acupuncturists to teach class sessions on traditional Chinese medicine, naturopathy, and acupuncture in his college courses in China. Your Committee further finds that Dr. Corcoran has worked to familiarize his students, especially those who have served in the military, with the acupuncture program offered at Tripler Army Medical Center and has been active in broadening the general public's awareness of traditional Chinese medicine and acupuncture. The nominee has a thorough understanding of the role and responsibilities of the Board of Acupuncture and is highly qualified to serve as a member of the Board of Acupuncture.

Your Committee received testimony in support of the nomination of Mike Hashimoto from the Governor and Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Dr. Hashimoto's experience as a licensed acupuncturist, commitment to serving the community, and proven leadership on the Board of Acupuncture qualify him for reappointment to the Board of Acupuncture. Your Committee notes that the nominee has been practicing acupuncture and Oriental medicine in Hawaii for over four decades. Your Committee further finds that the nominee previously served three full terms on the Board of Acupuncture, and has been reappointed to the Board of Acupuncture based on his knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Jayne Tsuchiyama from the Department of Commerce and Consumer Affairs, Hawaii Oriental Medicine and Acupuncture Association, and Institute of Clinical Acupuncture and Oriental Medicine.

Upon review of the testimony, your Committee finds that Ms. Tsuchiyama's experience as a licensed acupuncturist, background in business, and commitment to public service qualify her for appointment to the Board of Acupuncture. Your Committee notes that the nominee is the first acupuncturist to work in the Queen's Cancer Center, a multidisciplinary treatment and research center. Your Committee further finds that the nominee was the first acupuncturist to receive a grant to provide acupuncture to low-income breast cancer patients, with priority given to Native Hawaiians and Pacific Islanders. The nominee is interested in protecting the integrity of the profession by ensuring its practitioners meet high standards of ethical and professional conduct and is highly qualified to serve as a member of the Board of Acupuncture.

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. 3218 (Majority) Ways and Means on H.B. No. 2540

The purpose and intent of this measure is to authorize the Department of Human Services to charge reasonable fees for the issuance and renewal of child care licenses and certificates of registration.

This measure also establishes the child care licensing and registration special fund to pay for the costs incurred by the Department of Human Services in administering child care licensing and registration and to further the provision of quality child care services.

Your Committee received written comments in support of this measure from the Department of Human Services.

Your Committee finds that there are administrative costs associated with the Department of Human Services' licensing and certification activities, including site visits, observation of providers with children, and inspections to ensure compliance with administrative rules. This measure will provide necessary funding to offset some of the Department's administrative costs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2540, 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, 1 (Slom). Excused, 2 (Kahele, Kouchi).

SCRep. 3219 Ways and Means on H.B. No. 2302

The purpose and intent of this measure is to improve the public housing inventory in the State.

Specifically, this measure:

- (1) Authorizes the issuance of general obligation bonds to fund the renovation of uninhabitable public housing units; and
- (2) Exempts capital improvement projects executed under this measure from the contest provisions of the Hawaii Public Procurement Code.

Your Committee received written comments in support of this measure from the Department of Human Services and the Office of Hawaiian Affairs.

Your Committee finds that recent federal inspections of Hawaii public housing have revealed that many of these projects are in poor condition. This measure provides the Hawaii Public Housing Authority with the financial resources necessary to renovate public housing units and grants limited exemptions from procurement requirements to allow the Authority to provide affordable housing quickly and efficiently.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2302, 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 (Kim). Noes, none. Excused, 2 (Kahele, Kouchi).

SCRep. 3220 Ways and Means on H.B. No. 1892

The purpose and intent of this measure is to ensure that the Reapportionment Commission has adequate funding to effectively carry out its mission by:

- (1) Placing the commission within the Office of Elections for administrative purposes; and
- (2) Directing the Chief Election Officer, in the regular session preceding each reapportionment year, to request a general fund appropriation that is separate from the Office of Elections' operating budget to support the commission once the commission is constituted.

Written comments in support of this measure were submitted by the League of Women Voters of Hawaii.

Your Committee finds that this measure will provide sufficient funding to ensure that the Reapportionment Commission is able to prepare voting district boundaries in an accurate and timely manner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1892, 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 (Espero, Kim, Kouchi).

SCRep. 3221 Ways and Means on H.B. No. 2254

The purpose and intent of this measure is to allow the chief executive of certain jurisdictions of the State, including the counties, to establish a wage and salary reduction benefit program that qualifies as a pretax transportation benefit program within the meaning of section 132 of the Internal Revenue Code.

Your Committee finds that the Department of Human Resources Development currently operates a pretax transportation benefit pilot program for employees of the state government who:

- (1) Are employees of the state executive branch, excluding the Department of Education, who are eligible to participate in the Employees' Retirement System of the State of Hawaii;
- (2) Live and work on Oahu; and
- (3) Do not have parking in a state-controlled lot with a parking payroll deduction.

The pilot program is operated under the State's qualified transportation fringe benefit plan, in accordance with section 132(f) of the Internal Revenue Code, and authorized under the federal Transportation Equity Act for the 21st Century for eligible State of Hawaii executive branch employees. This means that eligible employees may purchase public bus passes, Handi-Van fare coupons, and vouchers for the cost of their Vanpool Hawaii seat fares through payroll deductions before federal, state, and Federal Insurance Contributions Act taxes are withheld, thereby increasing their take-home pay.

The savings for each employee varies depending upon the employee's tax bracket. For example, based upon an annual salary of \$24,000, an annual tax savings of \$138.24, \$253.68, or \$181.53 can be gained through participation in the pilot transportation benefit plan for eligible employees who buy bus passes, ride the Handi-Van, or carpool via Vanpool Hawaii, respectively. Your Committee finds that the pilot program has been successful on Oahu and should be expanded to other jurisdictions of the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2254, 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 (Espero, Kim).

SCRep. 3222 Ways and Means on H.B. No. 2508

The purpose and intent of this measure is to strengthen the Department of Commerce and Consumer Affairs' oversight of exempt out-of-state collection agencies.

Specifically, this measure:

- (1) Clarifies qualification and enforcement provisions for exempt out-of-state collection agencies; and
- (2) Increases fines for collection agencies governed under chapter 443B, Hawaii Revised Statutes.

Your Committee finds that, between 2004 and 2011, the number of exempt out-of-state collection agencies operating in Hawaii more than doubled, while the number of registered collection agencies remained relatively stable. Your Committee also finds that additional regulatory provisions are warranted to ensure that Hawaii consumers are afforded certain safeguards when contacted by an exempt agency. Your Committee believes that this measure will enable the Department of Commerce and Consumer Affairs to adequately oversee the growing number of exempt out-of-state collection agencies in a manner that protects Hawaii's consumers, while also preserving the reciprocal benefits of exempt out-of-state collection agencies.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2508, 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 (Espero, Kim, Kouchi).

SCRep. 3223 (Majority) Judiciary and Labor on H.B. No. 2751

The purpose and intent of this measure is to:

- (1) Create a petty misdemeanor offense of disrespect of a house of the Legislature if a person creates a breach of peace or disturbance with the intent to interrupt a legislative proceeding; and
- (2) Authorize the Sergeant-at-Arms of the affected house of the Legislature to arrest and remove the person from the presence of the Legislature or legislative proceeding.

Your Committee received testimony in support of this measure from the State House Sergeant-at-Arms and two private individuals. Testimony in opposition to this measure was submitted by the Hawaii Citizens for the Separation of State and Church and three private individuals.

Your Committee finds that while proceedings of the Legislature allow stakeholders to provide input regarding issues or measures before the Legislature, proceedings are also subject to certain conventions and rules to maintain order. Absent these conventions, rules, and order, public proceedings may easily degenerate and potentially impede progress toward the adoption of laws. This measure

would establish safeguards to allow members of the Legislature to perform their duties and conduct proceedings in an efficient and safe manner without impinging upon the opportunity for stakeholders to participate in a respectful and orderly fashion.

As affirmed by the record of votes of the members 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. 2751, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Gabbard). Excused, 1 (Ihara).

SCRep. 3224 Judiciary and Labor on H.B. No. 2539

The purpose and intent of this measure is to:

- (1) Require persons exempt from part VIII of chapter 346, Hawaii Revised Statutes, pursuant to section 346-152, Hawaii Revised Statutes, to agree to an adult abuse perpetrator check in order to be eligible to provide child care and to receive a child care subsidy from the Department of Human Services;
- (2) Require the Department to develop standards, including the use of adult abuse perpetrator checks, to ensure the reputable and responsible character of an applicant to operate child care facilities, prospective employees of the applicant, and new employees of the provider;
- (3) Require applicants to operate a child care facility and providers of care in a child care facility to submit statements to the Department indicating any previous abuse or neglect of a vulnerable adult by the applicant or provider or any prospective employee thereof; and
- (4) Authorize the Department to deny license or registration applications, request providers to terminate employment of new employees, or revoke a license or registration upon finding that the applicant or provider or any prospective employee thereof is confirmed to have abused or neglected a vulnerable adult.

Your Committee received testimony in support of this measure from the Department of Human Services and Hawaii Association for the Education of Young Children.

Your Committee finds that the Department of Human Services is responsible for ensuring the health and safety of children in regulated settings, such as licensed child care centers, and for child care providers who care for children and receive child care subsidies from the Department. This measure allows the Department to conduct a more thorough review of individuals who are working directly with children in licensed and legally exempt settings by identifying individuals who have a history of maltreatment of other vulnerable individuals, including both children and adults.

As affirmed by the record of votes of the members 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. 2539, 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. 3225 Judiciary and Labor on H.B. No. 2232

The purpose and intent of this measure is to address the circumstances under which pelvic examinations may be performed by certain health care providers and students on anesthetized or unconscious female patients.

Your Committee received testimony in support of this measure from the Hawaii Medical Board, American Civil Liberties Union of Hawaii, Planned Parenthood of Hawaii, Hawaii Women's Coalition, and five private individuals.

Your Committee finds that this measure observes ethical consideration in health care by requiring the patient's prior informed consent for a pelvic examination. While your Committee recognizes that it is important for students to learn how to correctly perform pelvic examinations, it believes that all patients should be afforded the opportunity to give prior informed consent whenever possible and that pelvic examinations should only be performed under certain circumstances when informed consent cannot be obtained.

As affirmed by the record of votes of the members 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. 2232, 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. 3226 Judiciary and Labor on H.B. No. 1765

The purpose and intent of this measure is to allow the conducting of criminal history checks by county liquor commissions on certain employees and prospective employees, and by counties on prospective employees for work with vulnerable adults or seniors; for fire and emergency medical services positions that involve contact with children or dependent adults; and for emergency management positions and community volunteers whose responsibilities involve vulnerable and disabled citizens.

Your Committee received testimony in support of this measure from the Hawaii Civil Rights Commission, Department of Human Resources of the City and County of Honolulu, and Office of the County Attorney of the County of Kauai.

Your Committee finds that with the elimination of residency requirements and the current influx of out-of-state individuals applying for civil service jobs in Hawaii, the counties do not have an effective means of conducting a thorough background check, including reviewing prospective employees' convictions that occurred outside of the State. This measure allows county agencies to conduct criminal history record checks on certain employees and prospective employees without eroding arrest and court record protections.

As affirmed by the record of votes of the members 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. 1765, 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. 3227 Judiciary and Labor on H.B. No. 2312

The purpose and intent of this measure is to encourage people to conduct early cardiopulmonary resuscitation by excepting from civil liability persons who, in good faith, perform cardiopulmonary resuscitation on individuals in emergency situations, except in cases of gross negligence or wanton acts or omissions.

Your Committee received testimony in support of this measure from the Department of Health and AED Institute of America, Inc. The Department of Education submitted comments.

Your Committee finds that this measure further clarifies section 663-1.5, Hawaii Revised Statutes, to exempt from civil liability, persons who, in good faith, administers cardiopulmonary resuscitation on an individual in emergency situations in an attempt to resuscitate the individual and avoid death.

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. 2312, 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. 2312, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

SCRep. 3228 Judiciary and Labor on H.B. No. 1928

The purpose and intent of this measure is to repeal section 291E-68, Hawaii Revised Statutes, which makes refusal to submit to a breath, blood, or urine test a petty misdemeanor.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the County of Maui. Testimony in opposition to this measure was submitted by Mothers Against Drunk Driving Hawaii.

Your Committee finds that the criminalization of the refusal to submit to a chemical test is causing serious problems with the prosecution of individuals arrested for operating a vehicle under the influence of an intoxicant. Several cases in Maui county have been dismissed because of purported constitutional violations relating to the potential for criminal penalties associated with a defendant's refusal to submit to a chemical test. In lieu thereof, your Committee finds existing law requiring license revocation in an administrative license revocation proceeding to be an adequate penalty.

Your Committee recognizes the concerns raised by Mothers Against Drunk Driving Hawaii that repealing the law that makes refusal to submit to a breath, blood, or urine test a petty misdemeanor fails to provide an adequate deterrent or criminal consequence for intoxicated drivers. In balancing these concerns against the constitutional considerations raised by the Department of the Prosecuting Attorney of the County of Maui, your Committee urges Mothers Against Drunk Driving Hawaii to develop language that provides sufficient penalties for and deterrents against drunk driving while observing a defendant's constitutional rights.

Accordingly, your Committee has amended this measure by changing the effective date from upon approval to 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 H.B. No. 1928, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1928, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

SCRep. 3229 Judiciary and Labor on H.B. No. 1791

The purpose and intent of this measure is to:

- (1) Require a court to revoke the license of any driver for a period of up to ten years upon a conviction of the driver of manslaughter resulting from the operation of a motor vehicle;
- (2) Require a court to 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;
- (3) Allow a court to sentence a defendant, as a condition of a sentence of probation, to serve a term of imprisonment not exceeding two years for a conviction of manslaughter; and
- (4) Exempt a person convicted of manslaughter from mandatory sentencing to an indeterminate term of imprisonment of twenty years, but allow that person to be sentenced to an indeterminate term of imprisonment.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of the Prosecuting Attorney of the County of Maui, Department of the Prosecuting Attorney of the City and County of Honolulu, Police Department of the City and County of Honolulu, and one private individual.

Your Committee finds that this measure provides clarity regarding the imposition of a term of imprisonment, as a condition for probation, for a person convicted of manslaughter and makes section 706-659, Hawaii Revised Statutes, consistent with section 706-620(2), Hawaii Revised Statutes, which allows for a sentence of probation for an offense of manslaughter.

Your Committee further finds that this measure also provides for license revocation periods for those who have been convicted of serious traffic-related fatalities. However, your Committee believes that a judge should continue to hold the discretionary authority regarding license revocation periods as well as the term of imprisonment as a condition of probation for a person convicted of manslaughter.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that sets maximum periods of license revocations for convictions of manslaughter and negligent homicide in the first or second degree;
- (2) Deleting language that requires drivers' license revocations upon convictions for negligent homicide in either the first or second degree;
- (3) Deleting language that allows a court to sentence a defendant, as a condition of a sentence of probation, to serve a term of imprisonment not exceeding two years for a conviction of manslaughter;
- (4) Changing the effective date to 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 H.B. No. 1791, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1791, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

SCRep. 3230 Judiciary and Labor on H.B. No. 1788

The purpose and intent of this measure is to update Hawaii's computer fraud statutes by adding language mirroring Hawaii's identity theft statutes to better address the realities of modern cybercrime. Specifically, this measure:

- (1) Establishes a new offense of computer fraud in the third degree;
- (2) Adds new definitions related to computer crime to incorporate the element of phishing and spyware into all computer fraud offenses and unauthorized computer access offenses;
- (3) Changes the offenses of computer crime in the first degree and unauthorized computer access in the first degree from class B to class A felonies;
- (4) Changes the offenses of computer crime in the second degree and unauthorized computer access in the second degree from class C to class B felonies;
- (5) Changes the offense of unauthorized computer access in the third degree from a misdemeanor to a class C felony; and
- (6) Increases the minimum value of identifying information obtained that constitutes unauthorized computer access in the first degree from \$5,000 to \$20,000.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, and one private individual. The Department of the Attorney General and the State Privacy and Security Coalition submitted comments.

Your Committee finds that existing computer fraud statutes are too narrow to address most activities that are typically thought of as "computer fraud". For example, first-degree computer fraud requires proof that an offender accessed a computer without authorization to obtain or exert control over the property of another. However, most potential computer fraud offenders use their own computer, which they presumably are authorized to use to carry out offenses such as online auction fraud, advance fee scams, counterfeit check scams, phishing, and e-mail scams. This measure is intended to streamline and update computer crime statutes to better address and combat cybercrime.

Your Committee recognizes the concerns raised by the State Privacy and Security Coalition that defining spyware to include computer programs designed to gather information about an authorized user without authorization may result in unintended consequences. There are a large range of beneficial software programs that collect information about an authorized user without the user's express authorization, such as parental control software programs that protect children from objectionable or harmful content; programs that secure end user computers and networks from spyware, malware, and botnet attacks; programs that authenticate authorized users and detect intruders; and spell and grammar check programs that detect and fix typing errors.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the suggested amendment from the State Privacy and Security Coalition to clarify that spyware only means any computer program or software designed to disrupt or modify an authorized user's access or use of the Internet by deceptive means; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1788, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1788, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3231 Judiciary and Labor on H.B. No. 755

The purpose and intent of this measure is to streamline the public housing eviction process by conforming procedural requirements to federal law. Specifically, this measure:

- (1) Amends section 356D-92, Hawaii Revised Statutes, to conform public housing termination and eviction procedural requirements to federal law; and
- (2) Amends section 356D-93, Hawaii Revised Statutes, to delete the requirement of establishing at least one eviction board in each county and to decrease the minimum member requirement of the eviction board.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority.

Your Committee finds that this measure assists the Hawaii Public Housing Authority in streamlining the eviction procedures that are utilized to remove lease violators from federal low income public housing administered by the Hawaii Public Housing Authority.

Your Committee further finds that existing law requires the Hawaii Public Housing Authority to fly the hearing officer and hearing assistant to neighbor islands to conduct hearings before the Maui, Kauai, Hilo, and Kona eviction boards. In light of budget reductions by the federal Department of Housing and Urban Development, deleting this requirement would provide the Authority the option to conduct Oahu-based videoconferencing to conduct hearings on neighbor islands.

Your Committee has amended this measure by:

- (1) Adding the federal citation to specify the federal regulations that comport with the public housing termination and eviction procedural statutory requirements;
- (2) Allowing eviction boards to use video conferencing to conduct hearings; 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. 755, 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. 755, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

SCRep. 3232 Judiciary and Labor on H.B. No. 2295

The purpose and intent of this measure is to address the increase in cyberbullying by:

- (1) Establishing that knowingly using a computer to perform certain acts against a victim or intended victim of harassment under section 711-1106, Hawaii Revised Statutes, or harassment by stalking under section 711-1106.5, Hawaii Revised Statutes, constitutes the offense of use of a computer in the commission of a separate crime; and
- (2) Clarifying that the offense of use of a computer in the commission of a separate crime also includes knowingly using a computer to pursue, survey, contact, harass, annoy, or alarm a victim or intended victim.

Your Committee received testimony in support of this measure from one private individual.

Your Committee finds that this measure assists in combating cyberbullying and preventing the emotional harm caused by the dissemination of personal information of an individual, whether true or false, via the Internet or wireless cellular communication. These actions can be as harmful as offensive physical contact or face-to-face insults, taunts, or challenges.

Your Committee has amended this measure by:

- (1) Replacing "survey" with "surveil" under the offense of use of a computer in the commission of a separate crime; and
- (2) Changing the effective date from January 7, 2059, 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. 2295, 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. 2295, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3233 Judiciary and Labor on H.B. No. 1957

The purpose and intent of this measure is to clarify that persons and entities governed by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), who use or disclose individually identifiable health information in a manner that is consistent with HIPAA regulations, shall be deemed to be in compliance with Hawaii's privacy laws and rules.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii, Hawaii Association of Health Plans, Kaiser Permanente Hawaii, Hawaii Health Information Exchange, Hawaii Health Information Corporation, Hawaii Medical Service Association, and Hawaii Chapter of the American Physical Therapy Association.

Your Committee finds that there are approximately fifty statutory references to privacy, which are difficult for providers of care to understand and use. As HIPAA is considered to be the standard in the area of health care privacy, hinging compliance with state laws upon compliance with HIPAA will ensure that appropriate privacy protections are retained while facilitating the exchange of clinical information by providers through the Hawaii Health Information Exchange, thereby improving the quality of care for patients.

Your Committee has amended this measure by changing the effective date from January 1, 2050, to upon approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1957, 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. 1957, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3234 Ways and Means on H.B. No. 2608

The purpose and intent of this measure is to establish a statewide driver's license reciprocity committee to evaluate foreign countries' requests for driver's license reciprocity, to ensure the standards of the foreign countries' driver's license testing is equivalent to those of Hawaii.

Written comments in support of the measure were submitted by the Department of Customer Services, City and County of Honolulu.

Your Committee finds that there is no recognized international organization that ensures minimum essential performance test requirements are met before an applicant is issued a driver's license. Your Committee notes that people from all over the world establish residency in the State and it is important that the State ensure that all drivers meet certain minimum driving standards to improve public safety.

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. 2608, 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. 2608, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kim).

SCRep. 3235 (Majority) Ways and Means on H.B. No. 1726

The purpose and intent of this measure is to align the repeal dates of the energy systems development special fund and the environmental response, energy, and food security tax by extending the repeal date of the energy systems development special fund from June 30, 2012, to June 30, 2015.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and the Public Utilities Commission.

Your Committee finds that the environmental response, energy, and food security tax is the main source of funding for the energy systems development special fund. However, the environmental response, energy, and food security tax is repealed in 2015, whereas the energy systems development special fund is repealed in 2012. This measure corrects that oversight by aligning the respective repeal dates.

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 a technical nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1726, 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. 1726, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 2 (English, Kahele).

SCRep. 3236 Ways and Means on H.B. No. 1800

The purpose and intent of this measure is to appropriate funds for the operating and capital improvements program budget for the Judiciary for fiscal year 2012-2013.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee received comments on this measure from the Domestic Violence Action Center.

Your Committee finds that the Ronald T.Y. Moon Judiciary Complex, which opened in Kapolei in phases during early 2010, has maintenance and warranty contracts that are expiring, just two years later. Accordingly, your Committee has provided \$646,446 for maintenance and building security contracts required to keep the facility operating efficiently.

In addition, your Committee finds staffing of the Kapolei detention facility inadequate, which has resulted in considerable overtime use of staff. To address this issue, your Committee has authorized six juvenile detention worker positions and appropriated \$231,604 for this purpose. Your Committee expects the Judiciary to work toward significantly reducing use of overtime at the facility.

Your Committee is mindful that the Department of Public Safety has or will soon stop providing adult community service sentencing services in the second, third, and fifth circuits. The loss of these services would make it difficult for indigent members of the community to pay fines owed to the State. If this occurs, the only other alternative available to judges would be to order incarceration. To maintain adult community service sentencing as a viable option, your Committee has authorized twelve positions and provided \$424,485 to enable the Judiciary to provide adult community service sentencing on Maui, Hawaii, and Kauai.

Your Committee also finds that an in-custody drug treatment program for incarcerated drug offenders was established in 2001 under a State and Maui County partnership. A County of Maui decision to stop funding the treatment program has placed a significant financial burden on the Molokai and Maui drug court, which must now shoulder the unfunded costs. Your Committee has provided \$186,000 for the continued operation of the in-custody drug treatment program.

Your Committee further finds that court interpreter services offered for various court cases for community members needing assistance is currently limited. To expand these services, your Committee has provided \$234,728. The funds will be used to make additional languages available for court interpreter services. This will allow greater public access to the courts.

Your Committee is cognizant that the Judiciary is currently generating more revenue to provide services for indigent people of the State. The purpose of the funds is to enable greater access to the courts for those unable to afford judicial services. To support access to the courts, your Committee has authorized the expenditure of an additional \$1,350,000 in anticipation of the increased revenue.

Your Committee is aware that district family court judges have recently experienced significant increases in caseloads. In 2007, the Legislature authorized positions for this purpose, though funding was not available to fill the positions. Your Committee has provided \$267,684 to fund a previously established judge and three support positions. This funding will assist with the caseloads and promote the efficient delivery of judicial services to the public.

Your Committee notes that work began on the Justice Reinvestment Initiative (JRI) in June 2011. The ultimate goal of the JRI is to bring inmates home from non-state facilities and prepare inmates for reintegration into society. This is anticipated to result in significant cost savings over time. In order to achieve this goal, various programs must be expanded, and the Judiciary will play an important role in the process. Your Committee is supportive of the JRI and has authorized six positions and provided \$705,158 for probationary services and community based substance abuse programs.

Finally, your Committee notes that the Judiciary requested an appropriation of \$200,000 to pay for projected costs of unemployment insurance benefits for its employees. This resulted from an executive branch proposal to shift payment of this cost from the Department of Human Resources Development to the Judiciary. Your Committee finds that efficiency is not gained under this proposal and will continue to provide for the Judiciary's unemployment insurance benefits expenses through executive branch appropriations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1800, 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. 1800, H.D. 2, 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. 3237 (Majority) Ways and Means on H.B. No. 2226

The purpose and intent of this measure is to statutorily establish:

- (1) An automated victim information and notification system to notify victims or members of the community regarding certain status updates of offenders; and
- (2) The automated victim information and notification special fund to be used for the development and operating expenses of the system.

Your Committee received written comments in support of this measure from the Department of Public Safety; Department of the Prosecuting Attorney, City and County of Honolulu; Crime Victim Compensation Commission; and MADD Hawaii.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee has amended this measure by:

- (1) Clarifying that the offender information contained within the automated victim information and notification system shall be updated on a regular basis sufficient to timely notify a victim or member of the community of an offender's change in status;
- (2) Clarifying that any item purchased by both an in-state and out-of-state inmate from a correctional facility commissary shall be subject to a four per cent surcharge on the item's price for deposit into the automated victim information and notification system special fund;
- (3) Clarifying that all revenue from telephone services for inmates shall be deposited into the automated victim information and notification system special fund;

- (4) Providing that representatives from the private entities specified in this measure shall be requested to serve on the governance committee;
- (5) Providing that the members of the governance committee shall elect a chairperson from the members of the committee;
- (6) Clarifying that the members of the governance committee shall serve without compensation but shall be reimbursed for necessary expenses; 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. 2226, 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. 2226, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kim).

SCRep. 3238 Ways and Means on H.B. No. 283

The purpose and intent of this measure is to:

- (1) Authorize the transfer of moneys from the agricultural loan revolving fund to the pest inspection, quarantine, and eradication fund; and
- (2) Appropriate moneys for a program to contract and eradicate the coffee berry borer.

Your Committee finds that this measure will aid the Department of Agriculture in the control and eradication of the coffee berry borer.

Your Committee has amended this measure by:

- (1) Changing the amount of funds to be transferred and appropriated to unspecified sums; 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. 283, 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. 283, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kim).

SCRep. 3239 Ways and Means on H.B. No. 280

The purpose and intent of this measure is to address economic challenges facing the state coffee certification program while preserving the integrity of Hawaii's coffee industry.

Specifically, the measure effectuates this purpose by:

- (1) Repealing the requirement that all Hawaii-grown green coffee beans be inspected and certified by the Department of Agriculture for grade and origin unless otherwise provided by department rules, and instead authorizing the department to adopt administrative rules relating to the inspection and certification of the geographic origin of Hawaii-grown green coffee beans;
- (2) Prohibiting the shipment of Hawaii-grown green coffee beans outside the area of their geographic origin unless the packaging has been marked with or contains a certification of geographic origin approved by the Department of Agriculture; and
- (3) Establishing a class C felony for falsely labeling Hawaii-grown green coffee with regard to the geographic origin of the coffee.

Your Committee received written comments in support of this measure from one individual.

Your Committee finds that state budgetary cutbacks in recent years have hindered the Department of Agriculture's ability to effectively execute the coffee certification program. This has resulted in lengthy inspection delays that damage customer relations within the coffee industry and limit cash flows to pay growers and processors in a timely manner.

This measure adjusts the Department of Agriculture's powers and responsibilities to allow the department to more effectively regulate the coffee industry in the face of financial constraints. At the same time, this measure also provides stronger criminal penalties to help deter the distribution of Hawaii-grown green coffee that is falsely labeled as to geographic origin.

Your Committee has amended this measure by:

- (1) Moving the new offense for false labeling of Hawaii-grown green coffee from Chapter 710, Hawaii Revised Statutes, relating to offenses against public administration, to Chapter 708, Hawaii Revised Statutes, relating to offenses against property rights; and
- (2) Replacing references to the "certification" of Hawaii-grown green coffee with references to the "documentation" of the same.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 280, 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. 280, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Fukunaga, Ryan).

SCRep. 3240 Ways and Means on H.B. No. 2883

The purpose and intent of this measure is to require the Department of Land and Natural Resources to conduct a flood study of Makaha Valley.

The measure also appropriates funds to effectuate this purpose.

Your Committee finds that a comprehensive flood study of Makaha Valley has never been conducted, even though the valley is a major watershed on the Waianae Coast. This lack of information has contributed to numerous floods over the years. Heavy rainfall has overwhelmed the watershed, inundating Makaha Valley and negatively impacting area businesses and residences.

Your Committee has amended this measure by making technical nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2883, 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. 2883, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Kouchi, Tokuda).

SCRep. 3241 Ways and Means on H.B. No. 2685

The purpose and intent of this measure is to require the Department of Human Services to conduct a study to evaluate current asset limits for public assistance programs, including the Temporary Assistance for Needy Families program, and assess the effects of changing the asset limits for those programs.

Written comments in support of this measure were submitted by the Department of Human Services, Office of Hawaiian Affairs, and Hawaii Alliance for Community-Based Economic Development.

Your Committee finds that public assistance programs currently limit eligibility to those with few or no assets to ensure that limited public resources reach individuals and families most in need. However, your Committee also finds that asset limits can discourage the saving of money and prevent families from making investments that could help them to escape poverty. Your Committee believes that the study described in this measure is necessary to determine the most appropriate manner of addressing asset limits for public assistance programs.

Your Committee has amended this measure by:

- (1) Clarifying that the study shall include information on promising activities, policies, and trends relating to asset limits; 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. 2685, 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. 2685, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11, Ayes with Reservations (Slom). Noes, none. Excused, 3 (Espero, Kim, Kouchi).

SCRep. 3242 Ways and Means on H.B. No. 2848

The purpose and intent of this measure is to reduce recidivism for criminal offenders by employing native Hawaiian cultural practices and other innovations to effectuate this objective.

Specifically, the measure:

- (1) Requires the Department of Public Safety to prepare a plan to create a pu'uhonua, or wellness center, that incorporates native Hawaiian cultural practices; and
- (2) Creates a pilot program to allow certain incarcerated individuals on Hawaii Island to work in the community on projects that benefit the local community and the State.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs, Community Alliance on Prisons, Ohana Ho'opakele, Malua Aina, and two individuals. Written comments on this measure were received from the Department of Public Safety.

Your Committee finds that this measure offers additional solutions for rehabilitating criminal offenders and reintegrating them back into society in a manner that rebuilds families and the community.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure; and
- (2) Making technical nonsubstantive 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. 2848, 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. 2848, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Ryan, Slom). Noes, none. Excused, 1 (Kim).

SCRep. 3243 Ways and Means on H.B. No. 2656

The purpose and intent of this measure is to subject crematoriums of human remains operating within the State to the permit requirements of chapter 342B, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from fifteen individuals. Your Committee received written comments in opposition to this measure from the Oahu Cemetery Association, Hosoi Garden and Mortuary Incorporated, and Leeward Funeral Home.

Your Committee finds that crematoriums are currently exempt from federal and state air pollution control permit requirements. This measure will improve the State's air quality and public health by allowing the Department of Health to better monitor and control the potentially harmful emissions of crematoriums. The department may adopt rules pursuant to section 342B-3, Hawaii Revised Statutes, to do so.

Your Committee has amended this measure by:

- (1) Deleting as unnecessary the specific provision authorizing the Department of Health to adopt rules to impose permit conditions, because the department already has rulemaking authority; 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. 2656, 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. 2656, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3244 Ways and Means on H.B. No. 2776

The purpose and intent of this measure is to require operators of adult foster homes, adult residential care homes, assisted living facilities, and expanded adult residential care homes to obtain and maintain liability insurance.

The measure excepts operators of such homes and facilities that are operating under a contract with the Department of Health or the Department of Human Services and are in compliance with the liability insurance coverage requirements of the contract.

Your Committee finds that requiring operators of adult foster homes, adult residential care homes, and assisted living facilities to obtain and maintain liability insurance protects not only the operators, but the residents of such homes and facilities as well, and is prudent, given the ever-increasing numbers of people that reside in these homes and facilities.

Your Committee has amended this measure by:

- (1) Specifying that the Department of Health shall determine the liability insurance amount deemed sufficient; and
- (2) Making a technical nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2776, 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. 2776, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3245 Ways and Means on H.B. No. 1398

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to enter into partnership agreements or development agreements with private parties for the development of public housing projects.

Written comments in support of this measure were submitted by the Department of Human Services and the Hawaii Public Housing Authority.

Written comments in opposition to this measure were submitted by the State Procurement Office.

Your Committee finds that the demand for public housing in Hawaii far exceeds the available supply. Accordingly, your Committee finds that authorizing public-private partnerships to develop public housing will encourage the expedient development of additional public housing in the State and provide a boost to the local economy.

Your Committee has amended this measure by clarifying that there must be a written development or partnership agreement executed by the Hawaii Public Housing Authority in order to develop a public housing project with a private party.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1398, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1398, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Kahele, Kouchi).

SCRep. 3246 Ways and Means on H.B. No. 1941

The purpose and intent of this measure is to authorize the Director of Finance to issue general obligation bonds for the purposes of constructing agricultural inspection and biosecurity facilities and related infrastructure at the Honolulu International Airport, Kona International Airport, Kawaihae Harbor, Kamuela Vacuum Cooling Plant, and Honolulu Harbor.

Your Committee received written comments in support of this measure from the Department of Agriculture, Hawaiian Green Growth Initiative, Coordinating Group on Alien Pest Species, and The Nature Conservancy.

Written comments on this measure were received from the Department of Transportation.

Your Committee finds that providing sufficient agricultural inspection and biosecurity facilities is vital for performing the inspections necessary to maintain the quality of perishable commodities in the State.

Your Committee has amended this measure by:

- (1) Incorporating the amendments suggested by the Department of Agriculture by changing the words "Hawaii-grown high risk commodities" to "Hawaii-grown commodities" throughout 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 H.B. No. 1941, 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. 1941, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kim).

SCRep. 3247 Ways and Means on H.B. No. 1942

The purpose and intent of this measure is to authorize the expenditure of moneys from the pest inspection, quarantine, and eradication fund on the Department of Agriculture's electronic importer manifest program.

Your Committee received written testimony in support of this measure from the Coordinating Group on Alien Pest Species and The Nature Conservancy.

Your Committee finds that the electronic importer manifest program will help keep invasive plants and pests out of Hawaii's unique environment by linking the importer's commodities manifest with the plant quarantine branch's invicta database system.

Your Committee has amended this measure by changing the appropriation to an unspecified sum to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1942, 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. 1942, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Fukunaga).

SCRep. 3248 Ways and Means on H.B. No. 1943

The purpose and intent of this measure is to provide funding for detector-dog inspector positions under the Department of Agriculture.

Your Committee received written comments in support of this measure from the Hawaii Green Growth Initiative, Coordinating Group on Alien Pest Species, and The Nature Conservancy.

Your Committee finds that reinstating the detector-dog program would help protect residents, visitors, and the environment from the introduction of invasive species into the islands.

Your Committee has amended this measure by changing the appropriation to an unspecified sum to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1943, 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. 1943, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kim).

SCRep. 3249 Ways and Means on H.B. No. 2668

The purpose and intent of this measure is to support agriculture through the establishment of new tax credits and the adjustment of existing tax credits that support the State's agricultural industries.

Specifically, the measure:

- (1) Creates a livestock feed tax credit for the taxable year beginning after December 31, 2011, and ending before January 1, 2013;
- (2) Creates a livestock feed development tax credit for the taxable years beginning after December 31, 2012, and ending before January 1, 2015;
- (3) Creates a tax credit of up to fifteen per cent of the important agricultural land qualified agricultural cost tax credit, for drought mitigation projects that primarily service those lands, for taxable years beginning December 31, 2011, and ending before January 1, 2021;

- (4) Repeals the requirement that the amount of qualified agricultural costs eligible to be claimed under the important agricultural land qualified agricultural cost tax credit be reduced by the amount of funds the taxpayer received during the taxable year from the irrigation repair and maintenance special fund; and
- (5) Lowers the aggregate important agricultural land qualified agricultural cost tax credit cap from \$7,500,000 per year to \$5,000,000 per year for the taxable year ending before January 1, 2013, and \$7,000,000 per year for the taxable years beginning after December 31, 2012, and ending before January 1, 2016.

Written comments in support of this measure were submitted by Alexander & Baldwin, Inc. Written comments on this measure were submitted by the Tax Foundation of Hawaii.

Your Committee finds that supporting Hawaii's agriculture is imperative to increasing the State's economic base and creating economic diversity. Your Committee also finds that eighty-five to ninety per cent of Hawaii's food is imported and that an estimated \$3,000,000,000 is spent annually on imported food in Hawaii. Your Committee believes that this measure represents a prudent method of investing in Hawaii's agriculture.

Your Committee has amended this measure by:

- (1) Clarifying that, with regard to partnerships, S corporations, estates, trusts, and other pass through entities, the distribution and share of the tax credits established or amended by the measure shall be determined by administrative rule;
- (2) Providing that the Department of Taxation shall not allow the aggregate amounts of livestock feed tax credits claimed and livestock feed development tax credits claimed to exceed the applicable tax credit caps;
- (3) Appropriating funds to the Department of Agriculture and the Department of Taxation, respectively, for staffing and other expenses necessary for the implementation of the tax credits established or amended by the measure;
- (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 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 H.B. No. 2668, 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. 2668, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Fukunaga).

SCRep. 3250 Ways and Means on H.B. No. 2244

The purpose and intent of this measure is to strengthen the State's ability to monitor the import and export of plant commodities.

Specifically, the measure authorizes:

- (1) The Department of Agriculture to establish, maintain, and enforce compliance agreements with federal or state departments of agriculture as to the import and export of plant commodities; and
- (2) The assessment of fees for conducting inspections required under the compliance agreements.

Your Committee received written comments in support of this measure from one individual.

Your Committee finds that the impact of invasive species on Hawaii's agriculture, environment, natural resources, public health, and economy necessitates further support for the biosecurity program under the Department of Agriculture. This measure will allow federal and other state departments of agriculture and their respective inspectors to work cooperatively with Hawaii's agriculture inspectors on import and export programs.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2244, 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. 2244, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Fukunaga).

SCRep. 3251 (Majority) Ways and Means on H.B. No. 2501

The purpose and intent of this measure is to amend the Secure and Fair Enforcement for Mortgage Licensing Act to reflect recent changes in federal law and adjust fees in consideration of new regulatory requirements for mortgage loan originator activities.

Your Committee received written comments in support of this measure from the Hawaii Association of Mortgage Professionals.

Your Committee finds that mortgage loan originators offer or negotiate the terms of residential mortgage loans or accept applications for these loans. These professionals are licensed under the Secure and Fair Enforcement for Mortgage Licensing Act, which this measure amends to incorporate new federal requirements designed to strengthen consumer protections relating to mortgage loan origination.

Your Committee has amended this measure by:

- (1) Clarifying the application of the new definition of "housing finance agency" to nonprofit organizations;
- (2) Amending the definition of "Nationwide Mortgage Licensing System" in the Secure and Fair Enforcement for Mortgage Licensing Act to reflect that this entity is alternatively known as the "Nationwide Mortgage Licensing System and Registry";
- (3) Making conforming amendments to effectuate the reduction of the time limit (from six months to thirty days) for an applicant for licensure under the Secure and Fair Enforcement for Mortgage Licensing Act to demonstrate continued efforts to complete the licensing application;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on this 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 H.B. No. 2501, 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. 2501, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Fukunaga).

SCRep. 3252 Ways and Means on H.B. No. 2502

The purpose and intent of this measure is to enhance the regulation of mortgage servicers by:

- (1) Requiring mortgage servicers to be licensed as mortgage loan originators when providing mortgage loan modifications or other services that require such licensing; and
- (2) Authorizing the Commissioner of Financial Institutions to require mortgage servicers to register with the Nationwide Mortgage Licensing System and empowering the Commissioner to increase Hawaii's participation in the Nationwide Mortgage Licensing System.

This measure also eliminates the minimum amount of administrative fines for violations of the mortgage servicers law and clarifies the portion of these fines to be deposited into the mortgage foreclosure dispute resolution special fund.

Your Committee finds that mortgage servicers sometimes perform mortgage loan modification services that could be considered to be mortgage loan originator activities, such as taking a residential mortgage loan application or offering or negotiating the terms of a residential mortgage loan. This measure clarifies that any licensed mortgage servicer providing such services must also be licensed as a mortgage loan originator.

In addition, there has been national discussion about the possibility that mortgage servicers may be required to register with the Nationwide Mortgage Licensing System. If that occurs, this measure provides the Commissioner of Financial Institutions with the ability to work with the Nationwide Mortgage Licensing System and establish a program similar to the recently established program for mortgage loan originators and mortgage loan originator companies.

Your Committee has amended this measure by:

- (1) Clarifying the prohibition on mortgage servicers providing mortgage loan modification or other services that would require licensing under chapter 454F, Hawaii Revised Statutes, without being so licensed; 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. 2502, 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. 2502, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 3 (Espero, Kim, Kouchi).

SCRep. 3253 Ways and Means on H.B. No. 2375

The purpose and intent of this measure is to increase consumer protections against fraudulent mortgage rescue services.

Specifically, the measure assists consumers by:

- (1) Requiring the Office of Consumer Protection to educate consumers about fraudulent activities that may be committed against homeowners who face property foreclosures, liens, or encumbrances; and
- (2) Establishing criminal penalties and a mandatory fine for certain violations of the Mortgage Rescue Fraud Prevention Act.

Your Committee finds that unscrupulous individuals and entities purporting to be mortgage foreclosure rescuers offer fraudulent services to assist homeowners who face property foreclosures, liens, or encumbrances. These scammers carry out their schemes while the homeowners are at their most vulnerable and in desperate financial circumstances. Although current law provides for civil enforcement of any violation of the Mortgage Rescue Fraud Prevention Act as an unfair or deceptive trade practice, the addition of criminal penalties under this measure would enhance protections for a particularly vulnerable category of consumers.

Your Committee has amended this measure by deleting, as unnecessary, the new provision in section 1 that provides for the deposit of civil and criminal fines into the compliance resolution fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2375, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2375, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11, Ayes with Reservations (Slom). Noes, none. Excused, 3 (Espero, Kim, Kouchi).

SCRep. 3254 Ways and Means on H.B. No. 2644

The purpose and intent of this measure are to provide statutory guidance on the objectives of the Public Utilities Commission.

Specifically, the measure:

- (1) Requires the Public Utilities Commission to implement utility and regulatory best practices in its activities;
- (2) Appropriates funds to enable the Public Utilities Commission to determine and implement utility and regulatory best practices, including hiring consultants; and
- (3) Provides the Public Utilities Commission with the authority to authorize preferential water carrier service rates by tariff for ratepayers engaged in agricultural activities.

Your Committee received written comments in support of this measure from the Public Utilities Commission.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that requiring the Public Utilities Commission to implement utility and regulatory best practices will increase transparency and efficiency of commission activities and help to ensure that the Commission effectively guides the State in matters involving utilities.

Your Committee also finds that allowing the Public Utilities Commission to authorize preferential water carrier service rates for ratepayers engaged in agricultural activities will help to ensure that Hawaii's farmers remain competitive and self-sustaining.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2644, H.D. 2, S.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. 3255 (Majority) Ways and Means on H.B. No. 1968

The purpose and intent of this measure is to appropriate funds for the implementation of the reduced ignition propensity cigarette program.

Written comments in support of the measure were submitted by the Department of Labor and Industrial Relations and the County of Maui – Department of Fire and Public Safety.

Your Committee finds that the State Fire Council is charged with implementing the reduced ignition propensity cigarette program. However, the Council is comprised of only the four county fire chiefs and one part-time staff employee. Your Committee further finds that this appropriation is needed to hire two full-time staff members to more effectively and efficiently carry out the reduced ignition propensity cigarette program.

Your Committee has amended this measure by changing the appropriation amounts to unspecified sums 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. 1968, 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. 1968, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11, Ayes with Reservations (Dela Cruz). Noes, 2 (Kim, Slom). Excused, 1 (Fukunaga).

SCRep. 3256 Ways and Means on H.B. No. 2023

The purpose and intent of this measure is to support workforce development for the nursing profession by making permanent the assessment of the Hawaii State Center for Nursing fees on new and renewed nurse licenses and the disbursement of those fees to the credit of the Center for Nursing special fund.

Your Committee received comments in support of this measure from the Hawaii State Center for Nursing, the Healthcare Association of Hawaii, the Workforce Development Council, the American Organization of Nurse Executives - Hawaii Chapter, and one individual.

Your Committee finds that the fees credited to the Hawaii State Center for Nursing special fund are the main source of funding for the Center. Making the fees permanent would allow the Hawaii State Center for Nursing to continue to be the hub of reliable nursing information and research, which will benefit the people of the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2023, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Fukunaga).

SCRep. 3257 (Majority) Ways and Means on H.B. No. 2404

The purpose and intent of this measure is to improve public access to government.

Specifically, this measure:

- (1) Authorizes government agencies to publish notices electronically online, in addition to print publications;
- (2) Eliminates the requirement to post hard-copy notices of public meetings with the Lieutenant Governor's office;
- (3) Requires all government agencies, boards, commissions, and committees to post their agendas, minutes, and related meeting documents online, except in certain situations;
- (4) Encourages state agencies to broadcast their public proceedings online;
- (5) Appropriates an unspecified sum to the Office of Information Management and Technology for the establishment of a centralized state website for the dissemination of public information; and
- (6) Appropriates an unspecified sum, to be expended by the Department of Education, to fund support services by the Hawaii State Public Library System for the public to information from the centralized website.

The Office of Information Practices and the High Technology Development Corporation submitted written comments in support of this measure.

Your Committee finds that the public increasingly turns to the Internet as a source of information on government affairs. Government agencies may increase public access, awareness, and participation in their meetings and other proceedings by posting notices of proceedings and related materials for the public to view online. Your Committee believes that the amendments to the public noticing laws contained in this measure will increase public awareness of government proceedings and facilitate greater community involvement.

However, your Committee recognizes that increasing emphasis on electronic noticing may have the unintended result of reducing access for persons who do not have access to a computer or the Internet. Accordingly, your Committee strongly encourages the relevant government agencies to address how they will ensure that all citizens continue to have access to public notices.

Your Committee has amended this measure by:

- (1) Removing from section 92-7, Hawaii Revised Statutes, the requirement for advance written notice to be provided for emergency meetings;
- (2) Changing the expending agency for the appropriation for support services by the Hawaii State Public Library System from the Department of Education to the Hawaii State Public Library System;
- (3) Changing the effective date from July 1, 2013, to January 1, 2014, for the provisions of the measure that relate to posting of notices on the centralized website of the State, to allow the Department of Accounting and General Services and the Office of Information Management and Technology adequate time to establish the centralized website; 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 H.B. No. 2404, 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. 2404, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12, Ayes with Reservations (Ryan). Noes, 1 (Kim). Excused, 1 (Dela Cruz).

SCRep. 3258 Ways and Means on H.B. No. 1551

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.

More specifically, the 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.

Written comments on this measure were submitted by the Tax Foundation of Hawaii.

Your Committee finds that this measure supports Hawaii companies engaged in the research and development industry. Your Committee believes that the incentives provided by this measure will continue to foster job growth in the State and encourage further development of Hawaii's high technology industries. Your Committee further finds that the reporting requirements established by the measure will be useful in gauging the effectiveness of the tax credit for research activities.

Your Committee has amended this measure by:

- (1) Clarifying that more than fifty per cent of the qualified research of a qualified high technology business must be performed in the State;

- (2) Clarifying the information to be included in the annual survey;
- (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 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 H.B. No. 1551, 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. 1551, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 3259 Ways and Means on H.B. No. 2319

The purpose and intent of this measure is to streamline and clarify governmental operations relating to high technology and economic development.

Specifically, the measure:

- (1) Exempts grants made under the community-based economic development program from the Hawaii Public Procurement Code;
- (2) Clarifies that moneys in the hydrogen investment capital special fund shall be expended by the Hawaii Strategic Development Corporation; and
- (3) Repeals the law establishing the High Technology Innovation Corporation.

Written comments in support of this measure were submitted by the Hawaii Strategic Development Corporation. Written comments in opposition to this measure were submitted by the State Procurement Office; High Technology Development Corporation Board of Directors; High Technology Development Corporation and High Technology Innovation Corporation. Written comments on the measure were submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that creating a grant exemption from the Hawaii procurement code and clarifying where the moneys in the hydrogen investment capital special fund shall go to, supports economic development in the State. In addition, your Committee finds that the functions and objectives of the High Technology Innovation Corporation can be assumed and executed by other existing government agencies.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2319, 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 (Espero, Kim, Kouchi).

SCRep. 3260 Ways and Means on H.B. No. 2682

The purpose and intent of this measure is to authorize the Department of Land and Natural Resources to regulate the commercial activities that operate out of private marinas and use state waters or marine resources.

Written comments in support of this measure were submitted by the Environmental Caucus of the Democratic Party of Hawaii and two individuals.

Your Committee finds that the Department of Land and Natural Resources currently lacks the authority to manage commercial activities that initiate from a private marina or harbor and is only permitted to regulate the number of permits for commercial activities initiated from state run harbors or marinas. Your Committee also finds that this measure enables the Department of Land and Natural Resources to regulate commercial activities that operate out of private marinas and thus allows the Department to manage all commercial activities on near shore waters, thereby facilitating the Department's ability to protect Hawaii's natural resources.

Your Committee has amended this measure by:

- (1) Clarifying that the Board of Land and Natural Resources's authority to regulate the commercial use of state waters and marine resources includes operations originating from private marinas; 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. 2682, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2682, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 3261 Ways and Means on H.B. No. 2093

The purpose and intent of this measure is to require the University of Hawaii to: examine and determine the feasibility of establishing a center for agricultural leadership within the University of Hawaii at Hilo College of Agriculture, Forestry, and Natural Resource Management; and report its findings to the Legislature prior to the convening of the Regular Session of 2013.

Your Committee received written comments in support of this measure from the University of Hawaii System.

Your Committee finds that strengthening the development of agricultural education and agriculture teacher education in the State will play a vital role in making Hawaii more agriculturally self-sufficient and sustainable.

Your Committee has amended this measure by making a technical nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2093, 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. 2093, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 3262 Ways and Means on H.B. No. 2100

The purpose and intent of this measure is to promote agricultural production by appropriating funds to the University of Hawaii system for bee hive research.

Your Committee finds that the small hive beetle has become a major pest of honeybee hives on the island of Hawaii, resulting in significant hive loss. Your Committee further finds that loss of bee hives is a threat to the agricultural economy on all islands because bees are necessary to pollinate many crops.

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. 2100, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2100, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 3263 Ways and Means on H.B. No. 2273

The purpose and intent of this measure is to require the Department of Education and the Hawaii High School Athletic Association to develop a concussion educational program for students and student athletes who are fourteen to eighteen years old.

Your Committee received written comments in support of this measure from the American Physical Therapy Association - Hawaii Chapter.

Your Committee finds that in recent years, there has been a significant increase in Hawaii in the number of concussions sustained by youth engaged in sports or recreational activities. Your Committee further finds that the concussion educational program required by this measure will help ensure that public and private high school students, school personnel, and parents are provided with consistent and up-to-date information on concussions and the management of symptoms and injuries related to concussions.

Your Committee has amended this measure by:

- (1) Deleting the definition of "school athletics" as unnecessary;
- (2) Requiring students to obtain written clearance from a "licensed health care provider" instead of a "physician" before returning to sports and academics following a concussion;
- (3) Deleting the term "mild traumatic brain injury" from the definition of "concussion"; 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 H.B. No. 2273, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2273, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 3264 Ways and Means on H.B. No. 2513

The purpose and intent of this measure is to provide the Department of Education with greater flexibility in administering and implementing the statewide school health services program.

Specifically, the measure:

- (1) Repeals or modifies certain program operational requirements, including requirements relating to the administration of medication to students and school health aide compensation, work schedules, and leave allowances; and
- (2) Repeals the requirement that the Superintendent of Education adopt rules for the program.

Your Committee received written comments on this measure from the Department of Education.

Your Committee finds that the Department of Education is responsible for establishing a statewide school health services program that provides first aid and emergency care, preventive health care, health appraisals and follow-ups, and health room facilities at public schools. This measure gives the Department of Education the flexibility needed to provide health services that meet the diverse needs of student populations statewide.

Your Committee has amended this measure by:

- (1) Deleting the repeal of the requirement that the Superintendent of Education adopt rules for the statewide school health services program, and instead providing the Superintendent with the authority to adopt the rules; 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. 2513, 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. 2513, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11, Ayes with Reservations (Slom). Noes, none. Excused, 3 (Espero, Kim, Kouchi).

SCRep. 3265 Ways and Means on H.B. No. 2417

The purpose and intent of this measure is to amend the application and amount of the State's tax credit for renewable energy technology systems.

Specifically, the measure resolves issues with the administrative efficiency of the tax credit for solar electricity generating systems and lowers the financial exposure of the general fund to the credit by:

- (1) Distinguishing solar electricity generating systems from solar energy systems;
- (2) Amending the tax credit amounts for solar electricity generating systems by categorizing them into utility scale and non-utility scale systems and establishing the tax credits as follows:
 - (A) For solar electricity generating systems that are non-utility scale, a tax credit of thirty-five per cent of actual costs prior to the 2013 tax year and declining by five per cent annually, ending at twenty per cent during or after the 2015 tax year; or
 - (B) For solar electricity generating systems that are utility scale, a tax credit that is based on production, rather than construction, in the amount of 11.5 cents per kilowatt hour generated during the first one hundred twenty months of the operation of a utility scale solar electricity generating system installed after the 2012 tax year; provided that projects with contracts approved by the Public Utilities Commission prior to the end of the 2013 tax year have the option of using the tax credit as it existed on the date that the contract was submitted to the Public Utilities Commission, rather than using the new tax credit for utility scale solar electricity generating systems proposed by this measure;
- (3) Increasing the cap amounts of the tax credit that may be claimed for single-family residential and multi-family residential properties, if the primary purpose of the solar energy system is to use energy from the sun to heat water for household use;
- (4) Defining the terms "solar electricity generating system" and "utility scale solar electricity generating system";
- (5) Requiring tax filers claiming the tax credit for utility scale solar electricity generating systems to document each system's production for that tax year; and
- (6) Making the tax credit for non-utility scale solar electricity generating systems fully refundable without the necessity of reducing the eligible credit amount for systems installed during or after the 2016 tax year.

Written comments in support of the measure were submitted by Forest City Hawaii; Hawaii PV Coalition; and Solar Energy Industries Association. Written comments in opposition to the measure were submitted by the Department of Business, Economic Development, and Tourism. Written comments on the measure were submitted by ProVision Solar Incorporated.

Your Committee finds that this measure addresses the challenges posed by the current tax credit for solar electricity generating systems without compromising construction activity and employment created by the solar industry. Your Committee believes that this measure strikes an appropriate balance between the acceptable levels of financial exposure of the general fund to the tax credit and maintaining investment in the solar industry.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure; and
- (2) Making technical nonsubstantive 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. 2417, 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. 2417, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kaehele).

SCRep. 3266 Ways and Means on H.B. No. 2740

The purpose and intent of this measure is to maintain the reduced cost of electricity generation fueled by naphtha by extending the sunset date of the reduced fuel tax on naphtha used in a power-generating facility.

Written comments in support of this measure were submitted by the Department of Taxation and Kauai Island Utility Cooperative.

Your Committee finds that the current fuel license tax rate for naphtha is scheduled to expire on December 31, 2012. Allowing the special tax rate on naphtha fuel to expire would cause a more than ten-fold increase in the fuel tax rate for certain power generating facilities. Extending the sunset date would help prevent an increase in energy production costs.

Your Committee has amended this measure by:

- (1) Extending the sunset date of the reduced fuel tax on naphtha fuel used in a power-generating facility from December 31, 2015, to December 31, 2017;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion of the measure; and
- (3) Making technical nonsubstantive amendments for the purpose of conforming to preferred drafting conventions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2740, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2740, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kim).

SCRep. 3267 Ways and Means on H.B. No. 1905

The purpose and intent of this measure is to implement various measures to enhance health and social services and protect Hawaii's vulnerable populations.

Specifically, this measure:

- (1) Authorizes the Department of Human Services to draw from other funds appropriated to the Department if appropriations for general assistance benefits payments are insufficient;
- (2) Makes appropriations to fund various organizations providing health or social services;
- (3) Appropriates funds to create positions to administer the Department of Human Services' Supplemental Nutrition Assistance Program;
- (4) Requires financial institutions to report suspected financial abuse against elders to the appropriate local law enforcement agency, rather than the Department of Human Services;
- (5) Establishes the Hawaii Interagency Council on Homelessness to create a ten-year statewide plan to address homelessness in the State;
- (6) Authorizes the Department of Human Services to post on its public website information on the National Human Trafficking Resource Center hotline;
- (7) Establishes a task force to create a comprehensive plan to coordinate services for survivors of human trafficking;
- (8) Appropriates funds to increase payments for primary care physician services for children and pregnant women covered under the Children's Health Insurance Program to equal the reimbursement provided to medicaid recipients;
- (9) Requires the Department of Human Services to: collaborate with various providers to revise the methodology for determining the level of acuity for medicaid nursing facility residents and setting reimbursement rates; and work with the Department of Health to develop a referral system for the discharge of patients based upon acuity levels; and
- (10) Requires all health care insurers operating in Hawaii to share with the Department of Human Services a listing of their memberships to determine medicaid eligibility.

Your Committee received written comments in support of this measure from the Department of Human Services, Department of Health, Catholic Charities Hawaii, Healthcare Association of Hawaii, Imua Alliance, Hawaii Medical Association, Legal Aid Society of Hawaii, and one individual. Written comments on this measure were received from the City and County of Honolulu - Department of the Prosecuting Attorney.

Your Committee finds that this measure will help ensure and improve access to social and health care services, provide funding to maintain programs that are essential to the public welfare, and address the needs of Hawaii's most vulnerable populations.

Your Committee has amended this measure by:

- (1) Deleting the requirement that financial institutions use electronic mail to submit written reports of suspected financial abuse of an elder, and restoring the current language that simply requires a written report to be sent within five business days;
- (2) Clarifying that the continuum of care members of the Interagency Council on Homelessness shall be representatives from the Continuum of Care Networks from:
 - (A) The City and County of Honolulu; and
 - (B) The Counties of Maui, Kauai, and Hawaii;

who are requested by the Governor to serve on the Council;

- (3) Clarifying that the State Ethics law shall not apply to members of the Interagency Council on Homelessness solely because of the member's participation as a member of the Council; 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 H.B. No. 1905, 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. 1905, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Kahele, Kouchi).

SCRep. 3268 (Majority Ways and Means on H.B. No. 1724

The purpose and intent of this measure is to ensure that patients waitlisted for long-term care receive timely and appropriate medical care.

Specifically, the measure:

- (1) Authorizes the Department of Human Services to apply medicaid presumptive eligibility for patients based upon income, assets, confirmation of waitlisted status, and care requirements;
- (2) Requires the Department of Human Services to submit a series of reports to the Legislature regarding costs and other issues related to medicaid presumptive eligibility;
- (3) Requires the Department of Human Services to conduct a study of a computerized medicaid applications system to resolve problems with processing medicaid applications, including current inefficiencies;
- (4) Requires the Department of Human Services to submit a report to the Legislature regarding the study of the computerized medicaid applications system; and
- (5) Appropriates funds to cover reimbursement costs for services provided.

Your Committee received written comments in support of this measure from the Healthcare Association of Hawaii and Kaiser Permanente.

Your Committee received written comments in opposition to this measure from the Department of Human Services.

Your Committee finds that in Hawaii hospitals, at any given time, there are an average of one hundred-fifty patients who are waitlisted for long-term care. These patients place a drain on hospital resources. Implementing medicaid presumptive eligibility will help reduce the delay in receiving long-term care services by shortening the lengthy medicaid eligibility process.

Your Committee further finds that requiring the Department of Human Services to study a computerized medicaid applications system and submit a corresponding report along with reports regarding presumptive medicaid eligibility will help to provide medicaid eligible patients with timely and appropriate medical care while reducing unnecessary expenses for medical care providers.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of Human Services shall notify the patient's provider, instead of the facility, of the patient's presumptive eligibility upon receipt of the application; 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 H.B. No. 1724, 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. 1724, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 2 (Kahele, Kouchi).

SCRep. 3269 (Majority Ways and Means on H.B. No. 1689

The purpose and intent of this measure is to address and improve aspects of the State's long-term care programs and services.

Specifically, this measure:

- (1) Establishes a long-term care partnership program that allows individuals to purchase private long-term care insurance plans without disqualifying themselves from medicaid eligibility;
- (2) Establishes a long-term care financing task force to determine whether the public supports a tax to implement a long-term care insurance program for all residents of the State, and requires the task force to contract for the performance of an actuarial analysis;
- (3) Requires the Executive Office on Aging to conduct a campaign to promote awareness of and provide information on long-term care;
- (4) Establishes a long-term care task force to identify state long-term care programs and services and to determine the feasibility of consolidating those programs and services under a single executive department or division;
- (5) Establishes a deputy healthcare transformation coordinator position to coordinate state activities on long-term care; and
- (6) Appropriates moneys to fund the public education campaign, task force, actuarial analysis, and the deputy healthcare transformation coordinator position.

Your Committee received written comments in support of this measure from the Executive Office on Aging; Policy Advisory Board for Elderly Affairs; AARP; and Hawaii Alliance for Retired Americans.

Your Committee received written comments in opposition to this measure from Department of Human Services.

Your Committee finds that other states that have established a long-term care partnership program, similar to that contained in part I of this measure, have not experienced the intended savings for medicaid or an increase in the number of people who purchased long-term care insurance. Instead, those who participated in the program tended to be affluent persons who would likely have purchased the private long-term care insurance regardless of the change in law.

Your Committee has amended this measure by:

- (1) Deleting the contents of part I, regarding the long-term care partnership program;
- (2) Deleting the requirement that the Director of the Executive Office on Aging submit a report to the Hawaii Long-Term Care Commission because the Commission's term expires before the due date of the report;
- (3) Providing that the deputy healthcare transformation coordinator's salary shall be set by the healthcare transformation coordinator; 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. 1689, 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. 1689, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 2 (Kahele, Kouchi).

SCRep. 3270 Ways and Means on H.B. No. 1698

The purpose and intent of this measure is to eliminate the requirement for the Department of Human Resources Development to annually report expenditures for qualified community rehabilitation programs to the Legislature.

Your Committee finds that the Department of Human Resources Development only administers the human resources program for the State. County personnel directors are the chief administrators of their respective county human resource programs. Consequently, information about county expenditures for their qualified community rehabilitation programs is not available to the Department of Human Resources Development. Furthermore, because Hawaii law does not permit the Executive Branch of the State to contract with qualified community rehabilitation programs, the Department of Human Resources Development does not have anything to report on behalf of the State.

This measure removes the unnecessary reporting requirement of the Department of Human Resources Development.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1698, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 3 (Espero, Kim, Kouchi).

SCRep. 3271 Ways and Means on H.B. No. 2179

The purpose and intent of this measure is to allow the diminishment of the Auditor's salary during the Auditor's term of office by general law applicable to all salaried officers of the State.

The measure would not apply, however, to the currently sitting auditor.

Your Committee finds that the heads of legislative service agencies have experienced a recent salary decrease. Your Committee also finds that legislators, the Governor, Lieutenant Governor, department directors, deputy department directors, justices, and judges have also experienced a recent salary decrease. The Auditor's salary, however, has not been similarly reduced because the Auditor's salary is statutorily exempt from being diminished during the Auditor's term. Your Committee believes that the Auditor's salary should be subject to the same provisions as other legislative service agency heads.

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. 2179, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2179, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 3 (Espero, Kim, Kouchi).

SCRep. 3272 (Majority) Ways and Means on H.B. No. 2493

The purpose and intent of this measure is to provide employer contribution amounts for plan years 2011-2012 and 2012-2013 for Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for the public officers and employees of collective bargaining unit 9 (registered professional nurses) and their excluded counterparts due to an impasse in negotiations.

Written comments on the measure were submitted by the Department of Budget and Finance.

Your Committee finds that the public employers and the Hawaii Government Employees Association are at an impasse and an arbitration hearing has not yet been scheduled. This measure provides a vehicle to implement any health benefit contribution established by a potential arbitration proceeding for bargaining unit 9.

Your Committee has amended this measure by:

- (1) Clarifying the reference to excluded public employees covered by this 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 H.B. No. 2493, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2493, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 1 (Slom). Excused, 3 (Espero, Kim, Kouchi).

SCRep. 3273 Ways and Means on H.B. No. 2655

The purpose and intent of this measure is to provide workforce training opportunities for the citizens of Hawaii through the efficient use of federal moneys.

Specifically, the measure:

- (1) Requires the Department of Labor and Industrial Relations to establish and operate a training program to augment and expand the reach of the workforce investment activities administered by the Department pursuant to the federal Workforce Investment Act of 1998;
- (2) Appropriates an unspecified amount for the establishment of the training program; and
- (3) Authorizes the Department to use moneys in the employment and training fund from July 1, 2012, to June 30, 2013, to cover costs associated with administering, managing, reporting, and overseeing the programs funded under the federal Workforce Investment Act of 1998.

Written comments in support of this measure were submitted by the Department of Labor and Industrial Relations

Your Committee finds that establishing a workforce training program will enable persons such as the unemployed, persons with disabilities, persons with limited English proficiency, and the homeless to acquire the necessary skills to obtain employment.

Your Committee has amended this measure by making a technical nonsubstantive amendment for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2655, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2655, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kim).

SCRep. 3274 Ways and Means on H.B. No. 2099

The purpose and intent of this measure is to clarify that attorney's fees may be included in costs that may be assessed against a party who brings, prosecutes, or defends a workers' compensation claim without reasonable ground.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, Hawaii State Chiropractic Association, ILWU Local 142, and two individuals.

Your Committee received written comments on this measure from the Hawaii Insurers Council.

Your Committee finds that current law allows for the whole costs of workers' compensation proceedings to be assessed against the party who has brought, prosecuted, or defended the proceedings without reasonable ground. By expressly allowing attorney's fees to be awarded as part of these costs, this measure will help deter baseless claims and appeals in workers' compensation proceedings.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2099, 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. 3275 Ways and Means on H.B. No. 2251

The purpose and intent of this measure is to promote voter participation in elections by requiring the county clerk of a county with a population of less than one hundred thousand to mail an absentee ballot to all registered voters on any island of the county that is not the county seat of government.

Your Committee received written comments in support of this measure from the Office of Elections; Office of the County Clerk, County of Kauai; and the Office of the County Clerk, County of Maui.

Your Committee finds that there are significant logistical and administrative challenges associated with establishing an election polling place in certain areas of the State with small communities and limited resources. This measure ensures that voters in these communities are offered the convenience of absentee ballots to address these challenges.

Your Committee has amended this measure by:

- (1) Increasing the population threshold for counties that would be subject to this measure, from populations of less than one hundred thousand to populations of less than one hundred sixty thousand; 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. 2251, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2251, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kim).

SCRep. 3276 Ways and Means on H.B. No. 2361

The purpose and intent of this measure is to provide for the efficient collection of debts owed to state agencies.

Specifically, the measure:

- (1) Authorizes the Department of the Attorney General to collect delinquent accounts for executive departments, except for the Department of Taxation and the University of Hawaii, that are delinquent for more than ninety days; and
- (2) Establishes a civil recoveries fund into which shall be deposited an unspecified percentage of any moneys collected by the Department of the Attorney General on behalf of any executive department, to be used for collection-related expenses, training, education, and other costs.

Written comments in support of this measure were submitted by the Department of the Attorney General. Written comments were submitted by the Department of Budget and Finance.

Your Committee finds that this measure empowers the Department of the Attorney General to act as a central collection agency for delinquent accounts of all executive departments except for the Department of Taxation and the University of Hawaii. This centralization effort will help to make the collection of the accounts more efficient 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2361, 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. 2361, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 3 (Espero, Kim, Ryan).

SCRep. 3277 Ways and Means on H.B. No. 297

The purpose and intent of this measure is to require defendants who are granted a deferral of their plea under section 853-1, Hawaii Revised Statutes, to pay a probation services fee.

Your Committee received written comments in support of this measure from the Judiciary.

Your Committee finds that a defendant whose guilty or no contest plea is deferred, uses the same probationary resources as a defendant on probation although the defendant who is granted a deferred plea is not assessed a probation services fee. Requiring the court to impose probation services fees on defendants who are granted deferral of their plea will make those defendants accountable and will help pay for the supervision services they require. In addition, the probation fee for deferred pleas will provide the Judiciary with additional revenue necessary to offset rising costs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 297, 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 (Fukunaga, Kouchi).

SCRep. 3278 Ways and Means on H.B. No. 302

The purpose and intent of this measure is to:

- (1) Require interstate transfer fees paid by a parolee or probationer to be deposited into the probation services fund rather than the general fund; and
- (2) Specify that the moneys in the probation services special fund be used by the Judiciary to:
 - (A) Monitor and enforce the compliance of probation terms and other supervision; and
 - (B) Support other duties and activities related to the supervision of defendants.

Written comments in support of this measure were submitted by the State Judiciary.

Your Committee finds that this measure provides a source of funding for probation services and clarifies the purposes of the probation services special fund.

Your Committee has amended this measure by clarifying that the moneys in the probation services special fund, in addition to other purposes, shall be used for the monitoring, enforcement, and compliance with terms of probation and other supervision programs for defendants.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 302, 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. 302, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3279 (Majority) Ways and Means on H.B. No. 1848

The purpose and intent of this measure is to promote more meaningful negotiations relating to employer contributions to the Hawaii Employer-Union Health Benefits Trust Fund.

Among other things, this measure:

- (1) Repeals the prohibition on using arbitration to resolve impasses or disputes relating to, and striking on the issue of, state and county Hawaii Employer-Union Health Benefits Trust Fund contributions;
- (2) Authorizes the arbitration panel to make a final and binding decision on Hawaii Employer-Union Health Benefits Trust Fund contributions; and
- (3) Specifies that Hawaii Employer-Union Health Benefits Trust Fund and group life insurance contributions must be negotiated for active employees.

Written comments in support of the measure were submitted by the United Public Workers. Written comments on the measure were submitted by the Department of Budget and Finance.

Your Committee finds that presently, if an employer and exclusive representative cannot agree on the contributions, the Legislature determines the pro-rata share. However, all other negotiable items can proceed to impasse. Allowing disputes over contributions to the Hawaii Employer-Union Health Benefits Trust Fund to be resolved via the impasse procedure, similar to all other negotiable items, is reasonable and fair.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1848, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

SCRep. 3280 Ways and Means on H.B. No. 2492

The purpose and intent of this measure is to improve the efficiency and cost effectiveness of the Hawaii Employer-Union Health Benefits Trust Fund and reduce confusion for retirees with regard to the annual adjustments of their base monthly contribution rates.

Specifically, this measure changes the date that the base monthly contribution rate is annually adjusted from July 1 of each year to January 1 of each year.

Written comments in support of the measure were submitted by the Department of Budget and Finance; and Hawaii Employer-Union Health Benefits Trust Fund, Department of Budget and Finance.

Your Committee finds that, currently, a retiree's base monthly contribution rate is adjusted annually on July 1 based upon federal Medicare part B rate adjustments. However, Medicare part B adjustments are determined and effective January 1 of each year. Additionally, the Hawaii Employer-Union Health Benefits Trust Fund retiree plan year is January 1 to December 31. Changing the adjustment of the base monthly contribution rate from July 1 to January 1 of each year will align the Hawaii Employer-Union Health Benefits Trust Fund retiree plan year and base monthly contribution rate adjustment date with the federal Medicare part B adjustment date.

Your Committee further finds that having only one rate change per year instead of two will be more cost effective for the Hawaii Employer-Union Health Benefits Trust Fund and less confusing for retirees.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2492, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kim).

SCRep. 3281 (Majority) Ways and Means on H.B. No. 2494

The purpose and intent of this measure is to fund the Hawaii Employer-Union Health Benefits Trust Fund plan premium costs for the employees of collective bargaining unit (10) and for state officers and employees excluded from collective bargaining unit (10).

More specifically, the measure provides unspecified employer contribution amounts for plan years 2011-2012 and 2012-2013 for the Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for the employees of collective bargaining unit (10) and their excluded counterparts, due to an impasse in negotiations.

Your Committee received written comments in support of this measure from the United Public Workers. Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that the public employers and the United Public Workers are currently at an impasse in negotiations on issues involving the Employer-Union Health Benefits Trust Fund, and arbitration has been scheduled. Your Committee also finds that, should an agreement be reached on Employer-Union Health Benefits Trust Fund health benefit plan premium contribution amounts

prior to the scheduled arbitration hearing, this measure will provide a vehicle to implement pending collective bargaining agreements for the employees of collective bargaining unit (10) and their excluded counterparts.

Your Committee has amended this measure by:

- (1) Clarifying the reference to the excluded employees to whom the provisions of this measure apply; 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. 2494, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2494, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

SCRep. 3282 Ways and Means on H.B. No. 2495

The purpose and intent of this measure is to provide employer contribution amounts for plan years 2011-2012 and 2012-2013 for Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for the public officers and employees of collective bargaining unit 11 (firefighters) and their excluded counterparts due to an impasse in negotiations.

Written comments on the measure were submitted by the Department of Budget and Finance.

Your Committee finds that the public employers and the Hawaii Fire Fighters Association are at an impasse and an arbitration hearing has not yet been scheduled. This measure provides a vehicle to implement any health benefit contribution established by a potential arbitration proceeding for bargaining unit 11.

Your Committee has amended this measure by:

- (1) Clarifying the reference to excluded public employees covered by this 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 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. 2495, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2495, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Kim, Kouchi).

SCRep. 3283 Ways and Means on H.B. No. 2574

The purpose and intent of this measure is to authorize the Labor and Industrial Relations Appeals Board to provide notice to parties by first class mail instead of registered or certified mail. This measure also authorizes the board to provide notice of a hearing by publication in a newspaper of general circulation.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations and the Labor and Industrial Relations Appeals Board.

Your Committee finds that the state workers' compensation system has suffered budget constraints over the past few years. Authorizing the Labor and Industrial Relations Appeals Board to provide notices of hearings conducted pursuant to chapter 91, Hawaii Revised Statutes, by first class mail will result in cost savings that can be applied to other areas of operations, including increasing the overall efficiency of the Labor and Industrial Relations Appeals Board.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2574, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 134. Noes, none. Excused, 1 (Kim).

SCRep. 3284 Ways and Means on H.B. No. 2439

The purpose and intent of this measure is to codify the current practice and interpretation of how health benefits are earned and credited to a public employee by the Hawaii Employer-Union Health Benefits Trust Fund.

Specifically, the measure amends the Hawaii Employer-Union Health Benefits Trust Fund law by:

- (1) Adding a new definition of "credited service"; and
- (2) Clarifying the definitions of "employee" and "part-time, temporary, and seasonal or casual employee".

Your Committee finds that this measure aligns statutory language with current practices of the Hawaii Employer-Union Health Benefits Trust Fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2439, 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 (Espero, Kim, Ryan).

SCRep. 3285 (Majority) Ways and Means on H.B. No. 2476

The purpose and intent of this measure is to appropriate funds to satisfy various claims against the State for overpayment of taxes, refunds, reimbursements, payments of judgments or settlements, and other claims.

Written comments in support of the measure were submitted by the Department of the Attorney General.

Your Committee finds that this measure requests a total of \$1,899,814.01 in appropriations from the general fund to satisfy ten claims against the State; \$210,000 in appropriations from the state highway fund to satisfy one claim against the State; and \$60,000 in appropriations from the airport revenue fund to satisfy one claim against the State. Timely passage of this measure will minimize interest on those amounts.

Your Committee has amended this measure by adding two settlement claims totaling \$5,559,107.50, as requested by the Department of the Attorney General, from general funds, which increases the total amount of appropriations in this measure to \$7,728,921.51 in order to satisfy a total of fourteen claims against 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. 2476, 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. 2476, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 2 (Espero, Kim).

SCRep. 3286 (Majority) Ways and Means on H.B. No. 2487

The purpose and intent of this measure is to clarify and adjust pension benefit calculations of the Employees' Retirement System.

More specifically, the measure:

- (1) Harmonizes ordinary disability and ordinary death benefits for new members of the Employees' Retirement System with their service retirement benefits by:
 - (A) Deleting water safety officers from the list of individuals who join the Employees' Retirement System as contributory members after June 30, 2012, because officers becoming members after June 30, 2012, are hybrid plan members;
 - (B) Applying the same benefit multiplier for service retirement benefits and ordinary disability benefits for hybrid plan members who become members of the Employees' Retirement System after June 30, 2012; and
 - (C) Making the service requirement for payment of the hybrid plan hypothetical account balance as an ordinary death benefit for an individual who becomes a member after June 30, 2012, the same as the service requirement for an inter vivos withdrawal by the member after the member has terminated service;
- (2) Makes consistent through all types of credited service, the years of credited service component utilized in the average final compensation formula for members with credited service as an elected or legislative officer who are hired after June 30, 2012; and
- (3) Prevents unexpected increases in pension benefits and in the unfunded actuarial accrued liability of the Employees' Retirement System by:
 - (A) Limiting the amount of compensation included in "average final compensation"; and
 - (B) Requiring employers to pay the additional costs resulting from spiking.

Written comments in support of this measure were submitted by the Department of Budget and Finance and the Employees' Retirement System. Written comments in opposition to this measure were submitted by the City and County of Honolulu-Police Department, the County of Maui-Fire Department, and the United Public Workers. Written comments on this measure were submitted by the City and County of Honolulu-Emergency Services Department and the City and County of Honolulu.

Your Committee finds that Act 163, Session Laws of Hawaii 2011, enacted more stringent age and service requirements for retirement by members of the Employees' Retirement System who become members of the System after June 30, 2012. Your Committee also finds that this measure makes several amendments to the pension and retirement laws to clarify benefit changes made under Act 163 and harmonize the service requirements and ordinary death benefits for individuals who become members of the Employees' Retirement System after June 30, 2012.

Your Committee finds that, as of June 30, 2011, the Employees' Retirement System's unfunded liability was reported at \$8,164,000,000. Your Committee also finds that several factors have contributed to the System's unfunded liability, including pension spiking. Pension spiking is a process whereby a public sector employee significantly increases the employee's compensation, through overtime or other similar opportunities, in the years immediately preceding retirement so that the resultant pension is abnormally inflated in comparison to the pension that the employee would otherwise receive without the late career overtime compensation. If an employee's pay increases in an abnormal manner in the final years of employment, the employee's retirement benefits, which are based on the employee's three or five highest paid years, can be increased dramatically without providing the Employees' Retirement System with sufficient investment time or moneys to fund the increased pension. In turn, this spike in compensation increases the unfunded actuarial accrued liability of the Employees' Retirement System.

Your Committee recognizes that pension spiking is only one of several factors contributing to the Employees' Retirement System's current unfunded liability, but finds that this measure is a necessary step in addressing the unfunded liability. Your Committee notes that public sector employees who believe that any spike in their pension is due to assignments by management may file an appeal pursuant to title 6, chapter 23, Hawaii Administrative Rules, relating to contested case hearings for the Employees' Retirement System.

Your Committee has amended this measure by:

- (1) Combining two sections of the measure that amend the same section of the Hawaii Revised Statutes; and
- (2) 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 H.B. No. 2487, 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. 2487, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Chun Oakland, Ryan). Excused, 1 (Kouchi).

SCRep. 3287 Ways and Means on H.B. No. 2491

The purpose and intent of this measure is to authorize the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund to establish a trust fund for the purpose of receiving employer contributions that will prefund post-employment health and other benefit costs for retirees and their beneficiaries.

Your Committee received written comments in support of this measure from the Department of Budget and Finance; Hawaii Employer-Union Health Benefits Trust Fund; and United Public Workers AFSCME, Local 646, AFL-CIO.

Your Committee finds that this bill will ensure that the Employer-Union Health Benefits Trust Fund meets the Government Accounting Standards Board's definition of an irrevocable trust for the purpose of meeting its other post-employment benefits obligation and that public employers who make prefunded contributions receive the proper credit for the other post-employment benefits contributions on their financial statements.

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. 2491, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2491, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Espero, Kim).

SCRep. 3288 Ways and Means on H.B. No. 2374

The purpose and intent of this measure is to improve access to government services and programs for limited English proficient persons by transferring the Office of Language Access from the Department of Labor and Industrial Relations to the Department of Health.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, Department of Labor and Industrial Relations - Office of Language Access, Congress of Visayan Organizations, Hawaii Civil Rights Commission, and Catholic Charities Hawaii. The Department of Human Resources Development submitted written comments.

Your Committee finds that by transferring the functions and duties of the Office of Language Access to the Department of Health, this measure will improve the State's delivery of vital language services to its limited English proficient population and provide them better access to needed government services, protect their rights, and enable them to become more active participants and contributing members of society.

Your Committee has amended this measure by:

- (1) Adopting language recommended by the Department of Human Resources Development regarding employees whose functions are transferred by this measure;
- (2) Clarifying language with respect to limited English proficient persons;
- (3) Requiring the Department of Health to provide public notice in a printed publication or electronic format upon completion of the transfer; 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 H.B. No. 2374, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2374, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3289 Ways and Means on H.B. No. 2553

The purpose and intent of this measure is to require the Disability and Communication Access Board to charge review fees to defray all or a portion of costs associated with providing review and recommendations services on project plans.

This measure also requires the Board to annually report to the Legislature the number of plans reviewed and the amount of the review fees collected.

Your Committee received written comments in opposition to this measure from City and County of Honolulu-Department of Design and Construction and Complete Construction Services.

Your Committee finds that disabled access requirements are not uniformly understood in the architectural, engineering, and design community. The Disability and Communication Access Board provides a valuable resource by reviewing and making recommendations on project plans and specifications for public buildings and facilities, thereby reducing the likelihood of remediation and litigation.

Your Committee finds it appropriate that expenses of the Disability and Communication Access Board's services be incorporated into the costs of the projects instead of being borne by the general fund. Requiring the Board to charge review fees will help ensure that at least a portion of the review process costs are incurred by the entities benefiting from the Board's review services.

Your Committee has amended this measure by

- (1) Clarifying that all fees referenced in section 103-50, Hawaii Revised Statutes, are review fees;
- (2) Clarifying that review fees charged by the Disability and Communication Access Board are for services rendered pursuant to section 348F-3, Hawaii Revised Statutes;
- (3) Clarifying the reference to "infrastructure project"; and
- (4) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2553, 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. 2553, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3290 Ways and Means on H.B. No. 2664

The purpose and intent of this measure is to establish a public-private partnership in a county with a population between one hundred thousand and one hundred seventy thousand to develop and implement a model for coordinating and delivering health care across the spectrum of care.

The measure also appropriates an unspecified sum to the Hawaii Health Systems Corporation to effectuate this partnership and hire necessary staff.

Your Committee received written comments in support of this measure from the County of Maui, United Public Workers, and ILWU Local 142.

Your Committee finds that the partnership established by this measure will promote a system of collaborative health care delivery that is seamless, efficient, and cost-effective.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2664, 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. 3291 Ways and Means on H.B. No. 1953

The purpose and intent of this measure is to improve access to emergency medical care for residents of Oahu.

Specifically, the measure appropriates funds to:

- (1) Expand emergency medical services and ambulance services in Leeward Oahu; and
- (2) Provide additional emergency room services at Wahiawa General Hospital.

Your Committee received written comments in support of this measure from the United Public Workers and the Healthcare Association of Hawaii.

Your Committee finds that the recent closures of Hawaii Medical Center's hospitals in Ewa Beach and Liliha have jeopardized access to emergency medical care on Oahu. A greater burden is now placed on the City and County of Honolulu Emergency Medical Services Division to respond to emergency calls on the Leeward Coast and transport patients to emergency rooms elsewhere on Oahu. In particular, Wahiawa General Hospital, as the remaining hospital closest to the Leeward Coast, faces a significant increase in its emergency care workload. This measure provides the financial resources necessary to address emergency care challenges resulting from the closures of Hawaii Medical Center's hospitals.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1953, 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. 3292 Ways and Means on H.B. No. 2875

The purpose and intent of this measure is to require the Department of Education to develop annual assessments in the Hawaiian language for students in the Department's Hawaiian language immersion program.

More specifically, the Department of Education is required to develop, and implement in the 2014-2015 school year, assessments in the Hawaiian language in:

- (1) Language arts and mathematics, to be administered to students in grades three through six; and
- (2) Science, to be administered to students in grade four.

Written comments in support of the measure were submitted by the Office of Hawaiian Affairs; Association of Hawaiian Civic Clubs; Na Leo Kako'o Executive Board; Ka'Umeke Immersion Public Schools; and nineteen individuals.

Your Committee finds that the assessment system of the No Child Left Behind Act is in English, which presents an unnecessary challenge to students in the Hawaiian language immersion program, because English is not formally introduced until the fifth grade. Your Committee further finds that the Department of Education should provide the students of the Hawaiian language immersion program with an assessment system in Hawaiian to accurately measure students' academic achievement.

Your Committee has amended this measure by:

- (1) Adding an appropriation from general funds to the Department of Education for fiscal year 2012-2013 to effectuate the purposes of this measure;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) 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 H.B. No. 2875, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2875, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Chun Oakland, Fukunaga, Kouchi).

SCRep. 3293 (Majority) Ways and Means on H.B. No. 2529

The purpose and intent of this measure is to exempt from the Hawaii public procurement code expenditures of less than \$100,000 from the Hawaiian home operating fund, Hawaiian home receipts fund, Hawaiian home trust fund, native Hawaiian rehabilitation fund, and Hawaiian home administration account.

This measure also requires the Department of Hawaiian Home Lands to submit an annual report to the Legislature that includes solicitations of goods, services, and construction, types of procurements, and awardees.

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 State Procurement Office. Aupuni O Hawaii submitted comments.

Your Committee finds that this measure will improve the Department of Hawaiian Home Lands' efficiency by requiring it to develop, consistent with the goals of public accountability, streamlined procurement procedures for smaller contracts. These streamlined procedures will provide greater access to the procurement process by locally owned businesses that find current procurement procedures present too many technical barriers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2529, 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, 1 (Slom). Excused, 1 (Kouchi).

SCRep. 3294 Ways and Means on H.B. No. 2684

The purpose and intent of this measure is to require the Department of Transportation to conduct a study on the feasibility of extending the zipper lane westward from Waipahu toward Kapolei, west of the Kunia on-ramp on the island of Oahu.

In addition, this measure appropriates an unspecified sum to be expended by the Department of Transportation to conduct the feasibility study.

Your Committee received written comments in support of this measure from two individuals.

Your Committee finds that zipper lanes provide an incentive to carpool and reduce the number of cars on the road. The feasibility study required by this measure will provide the Legislature with helpful information regarding the potential advantages and disadvantages of extending the zipper lane westward from Waipahu toward Kapolei.

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. 2684, 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. 2684, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kim).

SCRep. 3295 (Majority) Ways and Means on H.B. No. 2760

The purpose and intent of this measure is to increase traffic safety.

Specifically, this measure:

- (1) Prohibits the use of mobile electronic devices while driving;
- (2) Authorizes the Department of Transportation, when submitting budget and appropriation requests for highway design, to include the complete streets policy;
- (3) Authorizes engineering new highways to maximize the safety of crossing pedestrians;
- (4) Authorizes the Department of Transportation to select eight projects throughout the State in which to incorporate roundabouts and flexible design standards;
- (5) Places size and weight restrictions on bicycles transported on public buses; and
- (6) Prohibits the operation of mopeds on bicycle paths and lanes.

Your Committee received written comments in support of this measure from the Maui County Nutrition and Physical Activity Coalition; Hawaii Public Health Association; and two individuals.

Written comments on this measure were received from the County Council of the County of Maui; the Alliance of Automobile Manufacturers; and one individual.

Your Committee finds that the design of transportation systems affects the health and safety of residents. Authorizing the Department of Transportation to prioritize safety when designing highways and to implement methods of controlling vehicular traffic, including roundabouts, will reduce hazards affecting pedestrians.

Your Committee also finds that prohibiting the operation of motor vehicles while using a mobile electronic device will increase traffic safety.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "bicycle" in section 249-1, Hawaii Revised Statutes, by removing duplicate language;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2760, 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. 2760, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 2 (Kim, Kouchi).

SCRep. 3296 Ways and Means on H.B. No. 101

The purpose and intent of this measure is to support interisland air travel.

More specifically, the measure establishes an aviation fuel tax credit for aviation fuel taxes passed on by distributors to interisland airplane carriers that transport people and goods between the islands of this State.

Your Committee finds that this measure will help stabilize air fares imposed by interisland airplane carriers by reducing their overall fuel costs. The measure grants a tax credit to interisland airplane carriers for amounts paid by interisland airplane carriers that represent fuel taxes imposed on distributors but passed on to the interisland airplane carriers. Further, the tax credit is applied against an interisland airplane carrier's income tax liability, which is governed by chapter 235, Hawaii Revised Statutes. However, your Committee notes that, as currently drafted, this measure establishes the tax credit in chapter 243, Hawaii Revised Statutes, relating to fuel tax law, rather than in Chapter 235, Hawaii Revised Statutes, relating to income tax law.

Your Committee has amended this measure by:

- (1) Placing the tax credit in chapter 235, 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 purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 101, 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. 101, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3297 Water, Land, and Housing on H.B. No. 2154

The purpose and intent of this measure is to provide a temporary exemption from special management area minor and use permit requirements for airport structures and improvements necessary to comply with Federal Aviation Administration regulations.

Prior to the hearing, your Committee posted a proposed S.D. 2 of this measure for public review, which amended the measure by inserting language to allow the Board of Land and Natural Resources to exempt certain state projects from coastal zone management and shoreline setback requirements.

Your Committee received testimony in support of the proposed S.D. 2 from the Department of Land and Natural Resources, Office of Planning, Building Industry Association – Hawaii, General Contractors Association of Hawaii. Your Committee received testimony in opposition to the proposed S.D. 2 from the Outdoor Circle, Hawaii’s Thousand Friends, Country Talk Story, and two individuals. The Department of Transportation submitted comments.

Your Committee finds that this measure would provide the Department of Transportation with sufficient authority to plan, design, and construct airports, subject to Hawaii Coastal Zone Management Program federal consistency review, without sacrificing special controls on developments within an area along the shoreline to avoid permanent loss of valuable coastal and ocean resources. Additionally, these temporary exemptions will provide an expedited construction process that will improve or repair deteriorated facilities for better service to the public and create jobs to improve the economy.

Upon further consideration, your Committee has amended this measure by adopting the proposed S.D. 2 and further amending the measure by:

- (1) Clarifying that the exemption of state projects by specifying that the planning, designing, constructing, operating, or maintaining of any state project under the jurisdiction of the Department of Land and Natural Resources is exempt from requirement to obtain a special management area minor permit, special management area use permit, or shoreline setback variance approval;
- (2) Limiting the exemption to those state projects for which the Department of Land and Natural Resources, rather than any state agency, is the contracting agency;
- (3) Amending the definition of “development” under chapter 205A, Hawaii Revised Statutes, to exclude the repair, maintenance, or modification to existing buildings, utilities, roadways, parking lots, or other structures within state-owned parcels and funded by state funds, federal funds, or both; and
- (4) Allowing the continuation of the exemptions for state projects for which funds are allotted by the Director of Finance prior to June 30, 2015, until the projects are completed.

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. 2154, 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. 2154, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Shimabukuro). Noes, none. Excused, 3 (Fukunaga, Solomon, Slom).

SCRep. 3298 Ways and Means on H.B. No. 2314

The purpose and intent of this measure is to change the allocation of transient accommodations tax revenues to the convention center enterprise special fund from a calendar year to a fiscal year basis.

Written comments in support of the measure were submitted by the Hawaii Tourism Authority. Written comments on the measure were submitted by the Department of Budget and Finance.

Your Committee finds that expenditures from the convention center enterprise special fund are made on a fiscal year basis, but deposits into the fund are made on a calendar year basis. This results in occasional shortfalls in the fund’s ability to pay the debt service for the Convention Center. This measure will align the basis on which funds are deposited into and expended from the fund and make convention center debt service more efficient.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2314, 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. 3299 Ways and Means on H.B. No. 1617

The purpose and intent of this measure is to:

- (1) Provide fair compensation to lessees when a withdrawal or taking of leased land renders the land unusable for the lessee’s original intended purpose; and
- (2) Transfer the parcels of land identified by tax map key numbers (1)9-4-0-12:001, (1)9-4-0-12:002, and (1)9-4-0-12:003 to the Agribusiness Development Corporation no later than January 1, 2013.

Your Committee received written comments in support of this measure from Hawaii Cattlemen’s Council Incorporated, Ulupalakua Ranch, Priceville Ranch, McCandless Ranch, Mikilua Farm Bureau Center, Maui Cattlemen’s Association, and two individuals. Your Committee received written comments in opposition to this measure from the Office of Hawaiian Affairs.

Your Committee finds that lessee ranchers suffered serious financial losses when the Department of Land and Natural Resources established conservation easements on leased public land in order to widen Saddle Road. Though current law only provides for rent reductions, the lessees are required by their leases to maintain insurance on the land and pay taxes for the land that can no longer be used for the purpose for which it was originally intended. Your Committee finds this measure will provide more equitable relief to lessees of public lands in partial takings or condemnations where the lessee is prevented from using the lands as originally intended.

Your Committee has amended this measure by:

- (1) Amending the title of the new section being added to Chapter 171, Hawaii Revised Statutes, to more accurately reflect the section’s provisions regarding the withdrawal or taking of leased land;

- (2) Deleting the requirement that the Department of Land and Natural Resources be responsible for properly documenting the changes in title to the parcels of land identified by tax map key numbers (1)9-4-0-12:001, (1)9-4-0-12:002, and (1)9-4-0-12:003; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1617, 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. 1617, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Tokuda). Noes, none. Excused, 1 (Kouchi).

SCRep. 3300 Ways and Means on H.B. No. 1306

The purpose and intent of this measure is to increase the revenue bond authority for the Hula Mae Multifamily program from \$500,000,000 to \$750,000,000.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation and the Pacific Resource Partnership.

Your Committee finds that increasing the revenue bond authority for the Hula Mae Multifamily program will allow the Hawaii Housing Finance and Development Corporation to adequately assist in the future development and preservation of affordable housing in Hawaii, including the current seventeen projects valued at over \$500,000,000 and another expected eleven projects worth an estimated \$1,500,000,000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1306, 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 (Kouchi).

SCRep. 3301 Ways and Means on H.B. No. 2246

The purpose and intent of this measure is to establish the Haiku Valley Cultural Preserve Commission to oversee the preservation of Haiku Valley's cultural and historical resources.

Your Committee received written comments on this measure from the Department of Budget and Finance and the Department of Business, Economic Development, and Tourism-Office of Planning.

Your Committee finds that Haiku Valley has significant cultural and historical value. Your Committee further finds that establishing a commission to develop permissible uses of the valley, approve contracts, and provide advice to the Governor and agencies will ensure the preservation of archaeological and cultural sites while balancing the interests of the owners of Haiku Valley.

Your Committee has amended this measure by:

- (1) Adding the requirement that, in any judicial proceeding to recover an administrative penalty under section-9(c), the Commission must also show that the penalty has not been appealed or that all appeals have been exhausted; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2246, 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. 2246, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3302 Ways and Means on H.B. No. 2594

The purpose and intent of this measure is to propose an amendment to the Hawaii Constitution authorizing the State to issue special purpose revenue bonds to assist dam and reservoir owners.

Your Committee received written comments in support of this measure from the Department of Budget and Finance; and Alexander and Baldwin.

Your Committee finds that additional safety requirements may be imposed as a result of investigative studies and inspections of dams and reservoirs by the Department of Land and Natural Resources. While increasing the safety of dams and reservoirs, these requirements may also place additional, significant financial burdens on the dam and reservoir owners. Your Committee finds that authorizing the State to issue special purpose revenue bonds for the benefit of dam and reservoir owners will assist them in meeting the costs of these additional regulatory requirements.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2594, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

SCRep. 3303 Ways and Means on H.B. No. 2595

The purpose and intent of this measure is to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners, upon ratification of a corresponding constitutional amendment.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and Alexander and Baldwin, Inc.

Your Committee finds that reservoirs and dams are essential to the State's water resource infrastructure, especially for farms and ranches in times of little or no rainfall. This measure will assist dam and reservoir owners by providing the economic means necessary to bring their facilities up to current safety standards.

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 H.B. No. 2595, 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. 2595, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Kim, Kouchi).

SCRep. 3304 Ways and Means on H.B. No. 1181

The purpose and intent of this measure is to bring the State's laws regarding false claims against the State and the counties into compliance with the federal False Claims Act.

Your Committee received written comments in support of this measure from the Department of the Attorney General and one individual.

Your Committee finds that this measure allows any employee, contractor, or agent to be entitled to all relief necessary to make the employee, contractor, or agent whole, if the employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against because of the lawful acts of the employee, contractor, agent, or associated others in furtherance of a *qui tam* action. This measure also bars certain actions, such as actions based upon allegations or transactions that are the subject of a civil suit or administrative civil money penalty proceeding in which the State or a county is already a party.

Your Committee finds that this measure ensures that Hawaii's laws comply with the federal False Claims Act.

Your Committee has amended this measure by:

- (1) Clarifying and conforming language with respect to the definition of "claim" under section 46-171, Hawaii Revised Statutes; and
- (2) 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 H.B. No. 1181, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1181, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3305 Ways and Means on H.B. No. 2873

The purpose and intent of this measure is to increase the ability of the Pacific International Space Center for Exploration Systems ("PISCES") to make swift and independent decisions and take actions in the rapidly evolving aerospace sector to keep Hawaii competitive and attractive to industry partners.

Specifically, this measure:

- (1) Transfers PISCES from the University of Hawaii to the Department of Business, Economic Development, and Tourism; and
- (2) Authorizes the issuance of general obligation bonds and appropriates funds to construct the PISCES aerospace research technology park project.

Written comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that PISCES is an economic driver for the State and promotes the establishment and growth of new sustainable and green industries along with associated jobs, workforce development, internships, and education programs in science, technology, engineering, and math. This measure will allow PISCES to work closely with the University of Hawaii while maintaining adequate flexibility to operate effectively within the fast-paced aerospace sector.

Your Committee has amended this measure by:

- (1) Changing the phrase "aerospace research technology park" to "aerospace technology research and development park" throughout the measure, to accurately reflect the nature of the initiative;

- (2) Clarifying that the authorization and appropriation of general obligation bond funds is for the construction of the PISCES aerospace technology research and development park while the appropriation of general funds is to support the operation of PISCES;
- (3) Deleting as members of the PISCES board of directors: the Chancellor of the University of Hawaii at Hilo, three members of the aerospace industry, and two members from the international aerospace community; and adding to the PISCES board: six members from government, industry, and academia, both national and international, with appropriate professional interests and backgrounds; and a representative from the National Aeronautics and Space Administration, who shall be invited to serve as an ex-officio non-voting member;
- (4) Deleting as unnecessary the provision for initial staggered terms for the members of the board of directors;
- (5) Requiring that the appointment of the PISCES executive director by the Director of Business, Economic Development, and Tourism be subject to confirmation by the PISCES board of directors;
- (6) Deleting the reference to the "international lunar research park" because it is a future program that is not presently established at the aerospace technology research and development park;
- (7) Changing the expending agency for the appropriations to the Department of Business, Economic Development, and Tourism;
- (8) Changing the effective date of the measure to July 1, 2012, to coincide with the commencement of the 2012-2013 fiscal year; 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 H.B. No. 2873, 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. 2873, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3306 Ways and Means on H.B. No. 2113

The purpose and intent of this measure is to make it unlawful to sell, offer for sale, distribute, possess, ignite, or otherwise use aerial luminaries, also known as sky lanterns, Hawaii lanterns, or flying luminaries.

Written comments in support of this measure were received from the Maui Fire Department, County of Maui; and Kauai Fire Department, County of Kauai.

Your Committee finds that imposing a ban on the aerial luminaries will protect the health and safety of the community and livestock. The aerial luminaries pose a fire threat because they are essentially open flame devices, which can land on vegetation, buildings, and power lines. The aerial luminaries can also cause death or serious injury to livestock when aerial luminary remains are consumed. Aerial luminaries have reportedly been banned in Georgia, Australia, and parts of Germany. Your Committee finds it appropriate to ban these devices 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. 2113, 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. 3307 Ways and Means on H.B. No. 2347

The purpose and intent of this measure is to authorize the counties to issue general obligation bonds that are secured by a pledge of receipts, including rates, rentals, fees, charges, taxes, or grants, in addition to real property taxes.

Written comments in support of this measure were submitted by the Department of Budget and Fiscal Services, City and County of Honolulu.

Your Committee finds that this measure will offer counties additional financial flexibility and will provide greater security for bondholders, which may result in improved bond ratings and lowered borrowing costs.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure; and
- (2) Making technical nonsubstantive 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. 2347, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2347, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kim).

SCRep. 3308 Ways and Means on H.B. No. 2514

The purpose and intent of this measure is to increase the membership of the Hawaii Paroling Authority from three to five members and to appropriate adequate moneys to cover the cost of adding the new members.

Written comments in support of the measure were submitted by the Department of Public Safety; Department of the Prosecuting Attorney, City and County of Honolulu; Office of Hawaiian Affairs; Hawaii Substance Abuse Coalition; and Community Alliance on Prisons.

Your Committee finds that the Hawaii Paroling Authority is presented with a heavy caseload and would benefit from more resources to carry out its duties. Accordingly, your Committee finds that adding more members to the Hawaii Paroling Authority will improve public safety and ensure an efficient and effective parole process while providing each Hawaii Paroling Authority member with a manageable caseload.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2514, H.D. 3, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

SCRep. 3309 Ways and Means on H.B. No. 2410

The purpose and intent of this measure is to preserve, enhance, and support the shared benefits of military operations in Hawaii by requiring the Governor to enter into a memorandum of understanding with the Department of Defense.

Your Committee finds that a memorandum of understanding will facilitate and embrace a cooperative relationship between the State and the military. This measure will help identify and formalize efforts to support the military's presence in Hawaii through the accommodation of military operations, personnel, and families. Your Committee also finds that a memorandum of understanding will encourage continued military job creation, construction, procurement, and other spending in Hawaii, in light of expected federal budget cuts within the next ten years.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2410, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kim).

SCRep. 3310 Ways and Means on H.B. No. 2703

The purpose and intent of this measure is to make increased local food production a key priority for the State so that Hawaii may diversify its economy, create new jobs, advance long term economic stability, and boost food security.

Specifically, this measure establishes a statewide food sustainability standard program for the purpose of doubling, by the year 2020, the amount of food grown in the State for local consumption, using the year 2014 as the baseline.

Written comments in support of this measure were submitted by Sovereign Mokuupuni Council O Maui; Sovereign Mokuupuni Council O Molokai; Sovereign Mokuupuni Council O Kauai; Sovereign Councils of the Hawaiian Homelands Assembly; and six individuals. Written comments in opposition to this measure were submitted by the Land Use Research Foundation of Hawaii.

Your Committee finds that Hawaii is dangerously dependent on imported food due, in large part, to geographic isolation from other states and, as a result, must import approximately ninety-two per cent of all food consumed in the State. Your Committee further finds that each food product imported to Hawaii is a lost opportunity for local economic growth. Research shows that replacing even ten per cent of current food imports with locally grown food will create two thousand three hundred local jobs, keep hundreds of millions of dollars circulating within Hawaii's economy, and ensure that state food supplies are more resilient when disruptions in the global food supply occur.

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. 2703, 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. 2703, 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. 3311 Ways and Means on H.B. No. 2248

The purpose and intent of this measure is to support higher education in the State.

More specifically, the measure authorizes the issuance of special purpose revenue bonds to assist Hawaii Pacific University and one or more of its not-for-profit affiliates.

Written comments in support of this measure were submitted by the Hawaii Association of Independent Schools. Written comments on this measure were submitted by Hawaii Pacific University.

Your Committee finds that this measure will assist Hawaii Pacific University and one or more of its not-for-profit affiliates to finance, refinance, and reimburse costs related to the planning, acquisition, and construction of various capital-related projects.

Your Committee has amended this measure by correcting a section reference and 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 H.B. No. 2248, 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. 2248, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Espero, Kim, Kouchi).

SCRep. 3312 Ways and Means on H.B. No. 2591

The purpose and intent of this measure is to clarify that all land accreted after May 20, 2003, shall be public land, except as otherwise provided by law.

Your Committee finds that this measure clarifies the applicability of the State's accretion laws with regard to lands that were accreted after May 20, 2003.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2591, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12, Ayes with Reservations (Slom). Noes, none. Excused, 2 (Espero, Kim).

SCRep. 3313 Ways and Means on H.B. No. 2415

The purpose and intent of this measure is to develop a strategy to provide working individuals with disabilities with access to affordable health care.

Specifically, the measure:

- (1) Establishes a joint legislative task force to assist the Department of Human Services in developing and implementing a medicaid buy-in program for working individuals with disabilities; and
- (2) Requires the Department of Human Services to implement a medicaid buy-in program based upon the recommendations of the task force by July 1, 2014.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs; Workforce Development Council; Hawaii Disability Rights Center; University of Hawaii Center on Disability Studies; and one individual.

Your Committee received written comments in opposition to this measure from the Department of Human Services.

Your Committee finds that forty-five states have approved medicaid buy-in programs authorizing working individuals who have disabilities to retain their health care coverage through medicaid, despite having earnings that exceed the medicaid eligibility criteria. Implementing a medicaid buy-in program in Hawaii will provide an incentive for working individuals with disabilities to increase their contribution to the workforce, generating tax revenue and reducing expenses for the Department of Human Services.

Your Committee finds that a joint legislative task force of representatives from government and private agencies that serve individuals with disabilities will marshal the knowledge and experience necessary to help the Department of Human Services to create a medicaid buy-in 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. 2415, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Kahele, Kouchi).

SCRep. 3314 (Majority) Ways and Means on H.B. No. 2448

The purpose and intent of this measure is to establish a formula for calculating the amount to be contributed by the State towards a medicaid recipient's attorney's fees and costs incurred in obtaining a judgment, settlement, or award, in lieu of recovering the full amount.

Additionally, this measure:

- (1) Clarifies that a notice of lien sent by the Department of Human Services for reimbursement of medicaid benefits shall be accompanied by an itemized list of payments made by the Department;
- (2) Presumes the entire lien amount to be valid, absent a good faith basis for contesting the amount or validity of specific line item charges;
- (3) Caps the amount of the department's lien at one-third of the settlement, judgment, or award, less its contribution for attorney's fees and expenses; and
- (4) Defines the term "medical institution".

Your Committee received written comments in support of this measure from the Department of Human Services and Department of the Attorney General.

Your Committee finds that the medicaid program's ability to recover moneys from third parties to which it is entitled must be strengthened to maintain the viability of the medicaid program. This measure will assist the medicaid program in recovering those moneys, thereby reducing the burden on the program imposed by third parties and helping to ensure that the program is sustainable.

Your Committee has amended this measure by:

- (1) Clarifying the definition of the term “medical institution”;
- (2) Requiring the Department of Human Services to provide a written notice of lien to the court when restitution is sought from a third person in a criminal proceeding;
- (3) Making a conforming amendment to section 706-646, Hawaii Revised Statutes, to include medical assistance provided by the State as an expense for which restitution may be ordered; 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 H.B. No. 2448, 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. 2448, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 2 (Kahele, Kouchi).

SCRep. 3315 (Joint/Majority) Commerce and Consumer Protection and Ways and Means on H.B. No. 1033

The purpose and intent of this measure is to establish the clean economy bank of the State of Hawaii to provide financing support and risk management for qualifying clean economy projects to aid in development of Hawaii’s clean energy economy and lessen the State’s dependence on imported energy.

Prior to the hearing on this measure, your Committees made available for public review and comment a proposed S.D. 2 of this measure. The proposed S.D. 2 deleted the contents of the measure and inserted language to:

- (1) Allow the Department of Budget and Finance to enter into agreements with other bond issuers to pool qualified energy conservation bond allocations; and
- (2) Establish the clean energy special account within the energy security special fund, funded by fees assessed on entities with which the Department of Budget and Finance enters into agreements to pool bond allocations, to be expended pursuant to legislative appropriation to finance qualified clean economy projects.

Your Committees received testimony in support of the proposed S.D. 2 from the Hawaiian Electric Vehicle Network, Pacific Biodiesel Technologies, Hawaii Laborers’ Union, Hawaii Renewable Energy Alliance, Faith Action for Community Equity, Clean Economy Development Center, Moelis & Company, Applied Solutions, Coalition for Green Capital, 25x25 America’s Energy Future, and four individuals. Your Committees received comments on the proposed S.D. 2 from the Department of Budget and Finance; Department of Commerce and Consumer Affairs; Department of Business, Economic Development, and Tourism; Energy Programs Consortium; Sonoma County Water Agency; Pacific International Space Center for Exploration Systems; and one individual.

Your Committees find that the proposed S.D. 2 represents a more measured approach to funding clean economy projects than establishing a new entity for clean economy projects. However, your Committees understand that there are concerns regarding allowing the State and the Department of Budget and Finance to pool qualified energy conservation bond allocations from other jurisdictions. The State has been informed that pooling of qualified energy conservation bonds may not be permitted by federal statutes. The Department of Budget and Finance is currently seeking a written opinion from the United States Department of the Treasury that will clarify whether such pooling capabilities are allowable under federal codes. Your Committees conclude that, pending advice from the Department of the Treasury, amendments to the proposed S.D. 2 are necessary.

Your Committees further find that the clean economy projects in the proposed S.D. 2 may include confidential technology or information that, if released to the general public, may give an unfair advantage to other emerging technology companies. Your Committees conclude that further amendments to the proposed S.D. 2 are necessary to protect any proprietary information that may be received by a clean economy project entity or company.

Accordingly, your Committees have amended this measure by adopting the proposed S.D. 2 and further amending the measure by:

- (1) Deleting the provision that would have permitted the Department of Budget and Finance to enter into agreements with other bond issuers to pool qualified energy conservation bond allocations;
- (2) Specifying the types of qualified clean economy projects that may be funded by proceeds from the clean energy special account;
- (3) Inserting language that requires employees or contractors employed to support the clean energy special account to have the appropriate knowledge and experience to consider the merits and various technologies used in clean economy projects;
- (4) Inserting language to protect any proprietary information that may be received by the Department of Business, Economic Development, and Tourism from a clean economy project entity or company;
- (5) Requiring the Director of Finance to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013 that includes an update on various financing options that support a clean energy initiative and a comparison of existing bond vehicles with other financing mechanisms, rather than requiring the Director of Finance to submit a report listing all executed qualified energy conservation bonds;
- (6) Requiring the Director of Business, Economic Development, and Tourism to include, as part of the Energy Resource Coordinator’s annual report to the Legislature, information on activities relating to qualified clean economy projects and their effectiveness, the balance of the clean energy special account, and a summary of clean economy projects funded by legislative appropriation from the special account, rather than requiring a separate report to the Legislature;
- (7) Amending the purpose section to reflect the amended purpose of this measure; and

- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

The Senate believes it is very important to have written confirmation from the United States Department of the Treasury before moving forward on this measure. However, the Senate believes that the subject of qualified energy conservation bonds may be revisited if appropriate information is received from the United States Department of the Treasury in time for consideration by the Committee on Conference for this measure prior to adjourning for the current legislative session.

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 H.B. No. 1033, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1033, H.D. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, 1 (Slom). Excused, 7 (Dela Cruz, English, Galuteria, Kidani, Kim, Taniguchi, Tokuda).

SCRep. 3316 (Joint) Energy and Environment and Water, Land, and Housing on H.B. No. 2150

The purpose and intent of this measure is to include photovoltaic, biogas, and other small-scale renewable energy systems that produce energy solely for use in the agricultural activities of the fee or leasehold owner of property as bona fide agricultural services and uses that are allowed in agricultural districts, including land with soils classified as overall (master) productivity rating class A or B.

Your Committees received testimony in support of this measure from Kamehameha Schools and Sovereign Councils of the Hawaiian Homelands Assembly. Your Committees received comments on this measure from the Department of Agriculture.

Your Committees acknowledge that the costs of electricity and land in Hawaii place a financial burden on the agricultural industry. Compared to other states, the costs of electricity and land in Hawaii are significantly high. With advances in renewable energy technology, however, farmers in Hawaii have a tool to reduce the cost of electricity that is used for agricultural operations.

Your Committees recognize that existing state land use laws do not allow farmers to build solar photovoltaic, biogas, and other small-scale renewable energy systems on prime agricultural lands. With farmers already confronting high costs of electricity and land, however, preventing them from building renewable energy systems solely for agricultural activities is unwarranted. Renewable energy systems that are solely for agricultural activities will benefit farmers who build them.

Your Committees find that removing an unnecessary barrier to the development of sustainable agriculture comports with Article XI, section 3, of the Constitution of the State of Hawaii. That section provides that “[t]he State shall conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands.”

Your Committees have amended this measure by changing its effective date to upon approval.

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. 2150, H.D. 2, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2150, H.D. 2, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Fukunaga, Ihara, Shimabukuro, Slom).

SCRep. 3317 Judiciary and Labor 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, in violation of section 471-2, Hawaii Revised Statutes, a class C felony;
- (2) Exempt from the criminal offense of animal cruelty in the first degree the performance of accepted veterinary practices and the cropping of ears or the docking of a tail of a pet animal by a licensed veterinarian.

Prior to the hearing on this measure, your Committee posted a proposed S.D. 2 for review and comment. The proposed S.D. 2 amends this measure by deleting its contents and inserting language to:

- (1) Establish a spay and neuter special fund to cover the costs of reducing the number of feral animals through spaying and neutering, educating the public regarding the importance of spaying and neutering, and preventing homeless animal overpopulation;
- (2) Establish an advisory committee to assist the Department of Budget and Finance in developing special fund disbursement eligibility criteria and procedures;
- (3) Provide certain taxpayers with the option of designating a portion of their income tax refund to be deposited into the special fund; and
- (4) Change the effective date to July 1, 2012, with the income tax check-off provisions to apply to taxable years beginning after December 31, 2011, and a repeal date of July 1, 2017, to allow the Department of Budget and Finance time to review and assess the viability of the special fund.

Your Committee received testimony in support of the proposed S.D. 2 from the Humane Society of America, Hawaii Military Pets, and twenty-two private individuals. Testimony in opposition to the proposed S.D. 2 was submitted by the Department of Taxation. The Department of Budget and Finance submitted comments on the proposed S.D. 2.

Your Committee finds that pet overpopulation is caused by an over abundance of animal litters and a lack of affordable and accessible spay and neuter options. The proposed S.D. 2 provides additional funding to help reduce pet overpopulation and decrease pet euthanasia.

Your Committee notes the concerns raised by the Department of Taxation regarding income check-off boxes. The Department has an outdated computer system with significant functionality issues as well as limited staffing resources to develop and implement the necessary system modifications. Thus, the Department needs additional time and resources before it can effectively implement another income check-off box.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 2 and amending it further by:

- (1) Adopting the suggestion made by Humane Society of America to:
 - (A) Add a part I to reinsert the language from the original measure (H.B. No. 1133, H.D. 2, S.D. 1); and
 - (B) Add a part II to incorporate the language from the proposed S.D. 2;
- (2) Delaying the application of the income tax check-off provisions to taxable years beginning after December 31, 2012;
- (3) Inserting a repeal date of December 31, 2017, for part II; 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. 1133, 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. 1133, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

SCRep. 3318 Judiciary and Labor on H.B. No. 46

The purpose and intent of this measure is to improve the living environment in public housing projects and state low-income housing projects by providing the Hawaii Public Housing Authority the discretion to adopt rules to prohibit smoking throughout any public housing project or state low-income housing project.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Public Housing Authority, Coalition for a Tobacco-Free Hawaii, and three private individuals. Testimony in opposition to this measure was submitted by three private individuals.

Your Committee finds that according to the United States Surgeon General, there is no safe level of secondhand smoke and breathing even a little secondhand smoke can be dangerous. However, Hawaii's existing smoke-free workplace and public places law pursuant to chapter 328J, Hawaii Revised Statutes, excludes private residences, including public housing projects and state low-income housing projects. This measure is intended to address this exclusion by providing the Hawaii Public Housing Authority the discretion to adopt rules to prohibit smoking throughout any public housing project or state low-income housing project.

However, your Committee believes that providing the Hawaii Public Housing Authority the discretion to adopt no smoking rules is an insufficient means to improve the living environment in public housing and state low-income housing projects. Your Committee notes that S.B. No. 908, Regular Session of 2011, a companion to this measure, better effectuates the intent of this measure to improve the living environment for residents of public housing and state low-income housing projects. Specifically, S.B. No. 908:

- (1) Prohibits smoking within:
 - (A) Individual housing units;
 - (B) Hallways;
 - (C) Enclosed or partially enclosed common areas; and
 - (D) Twenty feet from each individual building,
 of a public housing project or state low-income housing project;
- (2) Requires the Hawaii Public Housing Authority to designate one or more permissible smoking areas not less than twenty feet from any residential building or community facility within the public housing project or state low-income housing project;
- (3) Permits the eviction of a resident upon a third violation of the smoking prohibition; and
- (4) Provides that a smoking violation committed by a non-resident who is visiting a resident shall be deemed a violation by that resident only if the resident is within twenty feet of the visitor at the time of the violation.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting language from S.B. No. 908;
- (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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 46, 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. 46, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 3319 Judiciary and Labor on H.B. No. 2564

The purpose and intent of this measure is to add pharmacists to the list of volunteer medical assistance personnel and volunteer emergency medical disaster response personnel who shall be exempt from liability while providing volunteer medical assistance or emergency response services.

Your Committee received testimony in support of this measure from one private individual.

Your Committee finds that the lack of professional liability protections may result in valuable medical personnel not participating as state volunteers, thereby limiting the ability of the State to draw upon the skills of such individuals as a critical public health resource in emergency and non-emergency situations.

As affirmed by the record of votes of the members 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. 2564, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Slom).

SCRep. 3320 Judiciary and Labor on H.B. No. 468

The purpose and intent of this measure is to enact standards for the selection of county ethics commissioners to ensure their impartiality and independence. Specifically, this measure:

- (1) Requires each county to adopt a charter amendment for a selection process for county ethics commissioners that provides for the Judicial Council to nominate at least three persons for each vacant seat on a county ethics commission for appointment by the mayor; and
- (2) Establishes standards for the Judicial Council to consider in nominating county ethics commissioners.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii and Common Cause Hawaii. The Department of the Attorney General submitted comments.

Your Committee finds that county ethics commissions should be independent and nonpartisan. The members must have the will and the courage to fulfill their duties with impartiality and due diligence. The selection process is critical to ensuring their independence and impartiality.

However, the Department of the Attorney General raised concerns with respect to mandating each county to adopt a charter amendment to provide that the Judicial Council nominate the members to serve on its county ethics commission. As such, the Department suggested that the selection process for ethics commissioner nominations remain at the discretion of each county.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of the Attorney General to amend section 601-4, Hawaii Revised Statutes, to authorize the Judicial Council to nominate persons for appointment to a county ethics commission only if that county's charter or ordinance requires members of the commission to be appointed from nominations made by the State's Judicial Council; 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. 468, 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. 468, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

SCRep. 3321 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 1671

The purpose and intent of this measure is to:

- (1) Require the State Procurement Office to keep statistics on solicitations and awards protested, including information on protests involving inadvertent errors and amounts forfeited from procurement protests, for the purpose of improving procurement procedures;
- (2) Make several amendments to the sections of chapter 103D, Hawaii Revised Statutes, amended in this measure to replace references to "chief procurement officer" and a designee of a chief procurement officer with a reference to a "procurement officer", which more accurately reflects the respective duties of these officers;
- (3) Require that a written determination by a procurement officer that an award of a contract without delay is necessary to protect substantial interests of the State, pursuant to section 103D-701(f), Hawaii Revised Statutes, shall be final, conclusive, and not subject to appeal;
- (4) Authorize the procurement officer, prior to the commencement of an administrative proceeding or an action in court, to settle and resolve a protest concerning the solicitation or award of a contract within ten business days after receipt of the protest; or, if the protest is not resolved by mutual agreement, to issue a decision in writing to uphold or deny the protest no later than twenty business days after receipt of the protest and compile a record of the protest;

- (5) Amend procedures for an administrative review of a written decision or order to assess administrative fines due to a violation of the procurement code or of a protest of the solicitation or award of a contract under the procurement code; and
- (6) Insert language to replace all references to “chief procurement officer” in chapter 103D, Hawaii Revised Statutes, except section 103D-203, Hawaii Revised Statutes, with the term “procurement officer”;

Your Committees received testimony in support of this measure from the General Contractors Association of Hawaii; Waltz Engineering, Inc.; S&M Sakamoto, Inc.; LYZ, Inc.; and Ralph S. Inouye Co., Ltd. The Office of Administrative Hearings of the Department of Commerce and Consumer Affairs and State Procurement Office offered comments.

Your Committees find that the intent of this measure is to simplify and expedite the procurement appeals process by recognizing the procuring agency’s experience and expertise in the procurement process, while preserving the right of review of a procuring agency’s decision to the Department of Commerce and Consumer Affairs. This measure retains a bid protester’s right to a hearing before the Office of Administrative Hearings, but limits the hearing officer’s review to evidence and issues raised in the proceedings before the procuring agency.

Your Committees have amended this measure by:

- (1) Adopting the suggested amendments from the State Procurement Office to delete the definitions for “chief procurement officer” and “procurement officer” and delete the language that replaces “chief procurement officer” with “procurement officer” throughout the measure, as these substitutions should not be applied to all sections of chapter 103D, Hawaii Revised Statutes;
- (2) Adopting the suggested amendments from the General Contractors Association of Hawaii to specify that extensions to settle and resolve a protest concerning a solicitation or award of a contract or to issue a decision if a protest is not resolved by mutual agreement be granted only when necessary for cause;
- (3) Adopting the suggested amendments from the State Procurement Office and General Contractors Association of Hawaii to retain the language authorizing chief procurement officer to determine that the award of the contract without delay is necessary to protect substantial interests of the State;
- (4) Changing the effective date to July 1, 2012; 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 Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1671, 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. 1671, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 15. Noes, none. Excused, 3 (Kouchi, Tokuda, Wakai).

SCRep. 3322 Judiciary and Labor on H.B. No. 1524

The purpose and intent of this measure is to:

- (1) Require persons sentenced for theft in the first, second, third, or fourth degree for an offense involving theft of an agricultural product or commodity to pay restitution to the victim in an amount equal to the value of what was stolen and the cost of replanting; and
- (2) Make theft of agricultural commodities marketed for commercial purposes and for which a person has failed to maintain a certificate of ownership or other written proof of ownership an offence of theft in the second degree.

Prior to the hearing on this measure, your Committee posted a proposed S.D. 2 for review and comment. The proposed S.D. 2 amended this measure by deleting its contents and inserting language that:

- (1) Requires certain actions by a buyer and seller prior to and upon a sale of an agricultural commodity, including completion of a certificate upon each sale of an agricultural commodity to include a description of the commodity; the amount and value of the commodity; seller’s name, address, telephone number, and license plate number of any vehicle used to deliver the commodity; farm owner’s name and address of origin; buyer’s or consignee’s name; seller’s signature; and buyer’s or consignee’s signature;
- (2) Makes theft of agricultural commodities marketed for commercial purposes and for which a person has failed to maintain a certificate of ownership an offense of theft in the second degree;
- (3) Establishes failure to retain the required certificate of ownership or other written proof of ownership while in possession of agricultural commodities as prima facie evidence of theft in the second degree; and
- (4) Repeals citation and summon procedures relating to violations of part II of chapter 145, Hawaii Revised Statutes, and establishes the violations as criminal offenses.

Your Committee received testimony in support of the proposed S.D. 2 from the Department of Agriculture; Hawaii Farm Bureau Federation; Hawaii Cattlemen’s Council; W.H. Shipman, Ltd.; and two private individuals. The Department of the Attorney General submitted comments.

Your Committee finds that agricultural theft is a serious problem for many farmers in the State and existing laws are not stringent enough to deter potential thieves. The proposed S.D. 2 may serve as a greater deterrent of agricultural theft by making the failure to

maintain certificates of ownership or other written proof of ownership of agricultural commodities a criminal offense. Furthermore, the proposed S.D. 2 will allow prosecutors to develop stronger cases against thieves of agricultural products and commodities.

Your Committee has amended this measure by adopting the proposed S.D. 2 and further amending this measure by:

- (1) Reinserting language from the original measure to require persons sentenced for theft in the first, second, third, or fourth degree for an offense involving theft of an agricultural product or commodity to pay restitution to the victim in an amount equal to the value of what was stolen and the cost of replanting;
- (2) Adopting the language suggested by the Department of the Attorney General to:
 - (A) Clarify that a copy of the certificate of ownership and movement is required to be presented upon request to a law enforcement officer or any other person authorized and designated by the Board of Agriculture;
 - (B) Delete redundant language that, in addition to the theft of agriculture commodities, requires proof that the person failed to maintain a certificate of ownership to constitute the offense of theft in the second degree;
 - (C) Clarify that the agricultural commodities referred to under section 708-831, Hawaii Revised Statutes, means commodities generally known to be marketed for commercial purposes, not marketed for commercial purposes at the time of the theft; and
 - (D) Define agricultural commodities under section 708-831, Hawaii Revised Statutes;
- (3) Adopting the language suggested by the Hawaii Farm Bureau Federation to:
 - (A) Specify under section 708-831(1), Hawaii Revised Statutes, the contents of signs to give sufficient notice to exclude intruders from a fenced or enclosed premise containing an aquacultural product or agricultural equipment, supplies, or products; and
 - (B) Including theft of agricultural equipment, supplies, or products under the offense of theft in the second degree if at the point of entry of the premise, a crop is visible; 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. 1524, 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. 1524, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

SCRep. 3323 (Joint/Majority) Judiciary and Labor and Ways and Means on H.B. No. 2227

The purpose and intent of this measure is to amend the conditions under which the Department of Health is required to establish a new birth certificate for a birth registrant whose gender differs from the gender designation on the birth registrant's original birth certificate. Specifically, this measure:

- (1) Establishes procedures to change a birth registrant's gender designation on the birth registrant's birth certificate, including requiring:
 - (A) A written request from the birth registrant for the Department of Health to issue a new birth certificate reflecting the gender designation change;
 - (B) A notarized statement from the birth registrant's treating or evaluating physician that states the birth registrant's gender designation was entered incorrectly, or the birth registrant has undergone surgical, hormonal, or other treatment appropriate for the purpose of gender transition; and
 - (C) An official copy of the legal name change document if the birth registrant is requesting a name change on the new birth certificate;
- (2) Emphasizes that the new birth certificates shall not reveal the original certificate language or that the certificate was amended; and
- (3) Requires that opening of the sealed documents containing the original certificate and the evidence supporting the preparation of the new certificate can only be done by a court order or by the request of the birth registrant.

Your Committees received testimony in support of this measure from the Gay, Lesbian, Bisexual and Transgender Caucus of the Democratic Party of Hawaii, Young Women's Christian Association of Oahu, Pride At Work Hawaii, American Civil Liberties Union of Hawaii, Women's Caucus of the Democratic Party of Hawaii, Planned Parenthood of Hawaii, Community Alliance of Prisons, and six private individuals. The Department of the Attorney General submitted comments.

Your Committees find that structures or policies that provide for discrimination against certain populations of the State should be remedied. This measure is not intended to expand access to anyone's birth certificate in the State, but is intended to broaden the allowable methods to change the gender designation on birth certificates.

Your Committees note the concerns raised by the Department of the Attorney General regarding the reliability of a notarized statement from the birth registrant's treating or evaluating physician verifying that the birth registrant has undergone hormonal or other treatment appropriate for gender transition without a court order. This situation potentially authorizes the treating or evaluating physician to determine that a change in gender designation on a birth certificate is necessary when the birth registrant has undergone hormonal or other non-surgical treatment, but may not have undergone treatment to the extent that the registrant's gender transition

was completed. The Department indicated that a Hawaii court order should verify the treating or evaluating physician's findings that the birth registrant has undergone hormonal or other appropriate treatment appropriate for gender transition and that the birth registrant's gender designation should be changed. Accordingly, the Department submitted proposed language to your Committees that addresses and remedies these concerns.

Your Committees have amended this measure by:

- (1) Adopting the language suggested by the Department of the Attorney General that:
 - (A) Retains and amends existing provisions in section 338-17.7(a)(4), Hawaii Revised Statutes, to require the Department of Health to establish a new birth certificate for a birth registrant upon receipt of an affidavit of a licensed physician who has examined the registrant and determined that the birth registrant's gender designation was entered incorrectly on the birth certificate; or that the birth registrant has undergone a sex change operation and the birth registrant's certificate is no longer accurate;
 - (B) Inserts language to require a court order, in cases where a birth registrant has undergone hormonal or other non-surgical treatment for a gender transition, to establish that there is medical evidence from the birth registrant's licensed physician that supports the finding that the birth registrant has undergone hormonal or other treatment appropriate for the purpose of gender transition and, in the opinion of the physician, the birth registrant's certificate should be changed accordingly; and
 - (C) Deletes language that allows a sealed document to be opened by the request of the birth registrant; 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 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. 2227, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2227, H.D. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 13, Ayes with Reservations (Dela Cruz, Kidani, Kim, Kouchi, Wakai). Noes, 2 (Gabbard, Slom). Excused, 3 (Chun Oakland, Espero, Ryan).

SCRep. 3324 (Joint/Majority) Judiciary and Labor and Ways and Means on H.B. No. 2819

The purpose and intent of this measure is to:

- (1) Limit the prohibition on the sale or assigning of the fee simple interest of certain lands in the Kakaako Community Development District to the makai lands in the Kakaako Community Development District;
- (2) Require the Hawaii Community Development Authority to determine the costs and benefits of selling and purchasing certain properties, excluding makai lands, within the Kakaako Community Development District; and
- (3) Require the Hawaii Community Development Authority to submit a report to the Legislature no later than ninety days after the effective date of this measure.

Your Committees received testimony in opposition to this measure from one private individual. The Hawaii Community Development Authority submitted comments.

Your Committees find that the Hawaii Community Development Authority is able to purchase and hold title to lands subject to availability of funding without any legislative action. However, legislative approval is required prior to any sale of land owned by or under the control of the State. Situations within the Kakaako Community Development District have arisen where it may have been profitable or beneficial to the Authority to expedite real property transactions. Thus, your Committees find it necessary to be informed of the costs and benefits of the selling and purchasing of various properties within the district.

Your Committees further find that S.B. No. 2783, Regular Session of 2012, recently passed the Legislature. S.B. No. 2783 resolves all claims the Office of Hawaiian Affairs has asserted or raised, or could assert or raise, relating to the Office of Hawaiian Affairs' portion of income and proceeds from public land trust lands from November 7, 1978, up to and including June 30, 2012, and fulfills constitutional obligations to native Hawaiians by providing fee simple title to certain parcels of land situated in Kakaako makai to the Office of Hawaiian Affairs. These identified lands within Kakaako makai will provide a revenue stream to fund the Office of Hawaiian Affairs' services to its beneficiaries. As a result, your Committees believe that additional mechanisms are necessary to ensure that sufficient revenue may be derived from these lands.

Accordingly, your Committees have amended this measure by:

- (1) Amending section 206E-31.5(2), Hawaii Revised Statutes, which prohibits the Hawaii Community Development Authority from approving any plan or proposal for any residential development in that portion of the Kakaako Community Development District makai of Ala Moana Boulevard and between Kewalo Basin and the foreign trade zone, to exempt certain parcels from the prohibition; 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 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. 2819, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2819, H.D. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 12, Ayes with Reservations (Gabbard, Kim, Ryan, Shimabukuro, Slom). Noes, 3 (Chun Oakland, Fukunaga, Ihara). Excused, 3 (Kouchi, Tokuda, Wakai).

SCRep. 3325 Judiciary and Labor on H.B. No. 1875

The purpose of this measure is to implement the final recommendations of the Mortgage Foreclosure Task Force, which were submitted to the Legislature for the Regular Session of 2012, and other best practices to improve the mortgage foreclosures law and address related issues affecting homeowner association liens and the collection of unpaid assessments.

Specifically, this measure, among other things:

- (1) Amends section 667-60, Hawaii Revised Statutes, which makes any violation of the mortgage foreclosure law under Chapter 667, Hawaii Revised Statutes, an unfair or deceptive act or practice subject to enhanced penalties under Chapter 480, Hawaii Revised Statutes, to:
 - (A) Specify the types of violations under Chapter 667 that constitute unfair or deceptive acts or practices;
 - (B) Limit the types of violations that may void a title transfer of foreclosed property; and
 - (C) Establish a time limit for filing actions to void title transfers of foreclosed property;
- (2) Repeals the nonjudicial foreclosure process under Part I of Chapter 667, Hawaii Revised Statutes, to provide for a single nonjudicial foreclosure process under Part II of that chapter;
- (3) Makes permanent the process under Act 48, Session Laws of Hawaii 2011, for converting nonjudicial foreclosures of residential property to judicial foreclosures;
- (4) With regard to the temporary mortgage foreclosure dispute resolution program under Part V of Chapter 667, Hawaii Revised Statutes, for owner-occupants of residential property facing nonjudicial foreclosure:
 - (A) Makes the program permanent by repealing its sunset date;
 - (B) Repeals the prohibition against participants of the program converting their nonjudicial foreclosure proceedings to judicial actions; and
 - (C) Streamlines the dispute resolution process;
- (5) With regard to condominium and planned community associations:
 - (A) Establishes an alternate power of sale process for the collection of unpaid assessments, modeled after the process set forth in Part II of Chapter 667, Hawaii Revised Statutes, as amended by the task force's recommendations;
 - (B) Places a time limit on recorded liens for unpaid assessments, excluding liens that automatically arise pursuant to law or the governing documents of the association, and provides that the recorded lien will not expire if proceedings to enforce the lien are instituted prior to the end of the time limit;
 - (C) Prohibits nonjudicial foreclosures of association liens arising solely from fines, penalties, legal fees, or late fees;
 - (D) Provides associations with notice of an owner-occupant's decision to participate in the mortgage foreclosure dispute resolution program; and
 - (E) Allows associations to proceed with a nonjudicial foreclosure, notwithstanding a stay of foreclosure proceedings arising from a dispute resolution case opening, if the association has not been notified of the foreclosure action by the foreclosing mortgagee or of the dispute resolution case opening;
- (6) With regard to planned community associations organized under Chapter 421J, Hawaii Revised Statutes:
 - (A) Provides these associations with the same options and protections as condominium associations with regard to association liens for assessments and the collection of unpaid assessments from tenants or rental agents; and
 - (B) Exempts these associations from the requirements of the mortgage foreclosure dispute resolution program and the process allowing owner-occupants to convert nonjudicial foreclosures to judicial foreclosures, to parallel the existing exemptions for condominium associations; and
- (7) Clarifies, improves, and corrects provisions of Act 48, Session Laws of Hawaii 2011, relating to mortgage foreclosures.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Office of Consumer Protection; Hawaiian Community Assets; Hawaiiana Management Co.; Royal Kunia Community Association; and Mililani Town Association.

Your Committee received testimony in opposition to this measure from the Hawaii Bankers Association; Hawaii Financial Services Association; Hawaii Credit Union League; Hawaii State Bar Association; the Collection Law Section of the Hawaii State Bar Association; and the Association of Apartment Owners of The Cliffs at Princeville.

Your Committee received comments on this measure from the Hawaii Association of Realtors; RCO Hawaii L.L.L.C.; Honolulu Star-Advertiser; and one individual.

Your Committee finds that Act 162, Session Laws of Hawaii 2010, established the Mortgage Foreclosure Task Force to recommend policies and procedures to improve the way mortgage foreclosures are conducted in the State. Act 162 required the task force to submit its findings and recommendations, including any proposed legislation, to the Legislature for the regular sessions of 2011 and 2012.

Some of the task force's initial recommendations in its report to the Legislature for the Regular Session of 2011 were included in Act 48, Session Laws of Hawaii 2011, a far-reaching mortgage foreclosure reform measure. This measure implements the recommendations in the task force's final report to the Legislature for the Regular Session of 2012, along with other best practices, to further improve the mortgage foreclosures law.

Your Committee notes the concerns regarding the provision in this measure requiring attorneys filing a judicial foreclosure action for residential property to sign and submit an affirmation that the attorney has verified the accuracy of the documents submitted in the filing, under penalty of perjury and subject to applicable rules of professional conduct. This provision requires that the foreclosing client communicate to the attorney that the client's documents are factually accurate and also requires attorneys to make their own inspection and other reasonable inquiry into the documents. The concern is that these requirements could inject elements of distrust and adversity in the attorney-client relationship and may force the attorney to withdraw from representation on conflict of interest grounds if the affirmation is challenged. Your Committee was also informed that existing laws and court rules sufficiently ensure the integrity of the judicial foreclosure process and provide sanctions for misconduct.

In addition, concerns were raised regarding the provisions of section 667-56, Hawaii Revised Statutes, prohibiting foreclosing mortgagees from completing nonjudicial foreclosure proceedings while the mortgagor is seeking a loan modification from the mortgagee or applying for a federal loan modification program. As currently written, these provisions may allow mortgagors who are denied loan modifications to unfairly stall foreclosure proceedings by continuously reapplying for loan modifications. At the same time, legitimate reapplications for loan modifications should be accommodated to help homeowners avoid foreclosures.

Your Committee further notes that owner-occupants who lose their primary residences to foreclosure suffer harsh personal losses that leave them particularly susceptible in cases where the lender may pursue a deficiency judgment to collect on any insufficiency of the foreclosure sale proceeds to satisfy the debt. As such, owner-occupants should be provided with greater relief from deficiency judgments. However, your Committee notes there are concerns about prohibiting deficiency judgments in the case of refinanced mortgages, as many borrowers refinance their mortgages for more than they currently owe, then use the difference to pay for cars, trips, or other consumer items that are unrelated to the purchase of the home. Although not addressed by the amendments proposed by your Committee to this measure, these concerns merit further discussion.

Finally, your Committee finds that the provisions in this measure allowing unit owners to avoid association judicial foreclosures of liens for assessments by curing the default or submitting a payment plan should be made consistent with the similar options that this measure provides to unit owners facing association nonjudicial foreclosures, with regard to the time period within which the unit owner must cure the default or submit a payment plan.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the provision requiring attorney affirmations in judicial foreclosure filings concerning residential property;
- (2) Amending section 667-56, Hawaii Revised Statutes, to allow foreclosing mortgagees to complete nonjudicial foreclosure proceedings while the mortgagor is seeking a loan modification from the mortgagee or applying for a federal loan modification program, if the mortgagor is applying to the same entity for more than the third time;
- (3) Prohibiting deficiency judgments against owner-occupants of residential properties sold in judicial foreclosures; and
- (4) Providing that the time period within which a unit owner must cure the default or submit a payment plan to avoid association judicial foreclosures of liens for assessments begins upon service of the association's complaint for judicial foreclosure, for consistency with similar provisions applying to association nonjudicial foreclosures under this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1875, 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. 1875, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3326 Ways and Means on H.B. No. 2547

The purpose and intent of this measure is to make an emergency appropriation of \$736,478 to the Department of Human Services to address the budget shortfall in the general assistance program.

Written comments in support of this measure were submitted by the Department of Human Services; Hawaii Disability Rights Center; Legal Aid Society of Hawaii; and one individual.

Your Committee finds that, pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor requested immediate consideration and passage of this bill. Your Committee also finds that the general assistance program will expend all appropriated funds before the end of the current fiscal year and that the continuance of this program is critical to the needs of the community. Your Committee further finds that an emergency appropriation is necessary to maintain the services of the Department of Human Services' general assistance program and to prevent further reductions in general assistance payments to general assistance recipients.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2547, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12, Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Fukunaga).

SCRep. 3327 Ways and Means on H.B. No. 2290

The purpose and intent of this measure is to authorize Children and Youth Day celebrations and public events to be held in the State Capitol area.

Written comments in support of this measure were submitted by the Sovereign Councils of the Hawaiian Homelands Assembly.

Your Committee finds that thousands of children and parents participate in Children and Youth Day activities, including the Children and Youth Summit. These events educate and strengthen families and provide children and families an opportunity to learn about and participate in the public policy process. Your Committee finds that the success of the Children and Youth Day activities and the Children and Youth Summit will be aided by the authorized use of the State Capitol grounds and surrounding areas.

Your Committee has amended this measure by making technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2290, 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. 2290, 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. 3328 (Majority) Ways and Means on H.B. No. 2262

The purpose and intent of this measure is to encourage the development of the State's renewable energy industry.

More specifically, this measure:

- (1) Broadens the ethanol facility income tax credit to include the construction of facilities for the production of renewable transportation fuels; and
- (2) Establishes an income tax credit for biofuel production facilities.

Your Committee received written comments in support of this measure from the Hawaii State Energy Office, Department of Business, Economic Development, and Tourism.

Your Committee received written comments on this measure from the Department of the Attorney General.

Your Committee finds that encouraging the development of renewable transportation fuels production facilities and biofuel production facilities will help to stimulate the economy and benefit the community and the environment. This measure supports the renewable energy industry by providing income tax credits, thereby making investment more attractive.

Your Committee has amended this measure by:

- (1) Authorizing the Department of Business, Economic Development, and Tourism to increase the cap on the annual amount of certified renewable transportation fuels production facility tax credits to \$15,000,000 if there is sufficient qualified renewable transportation fuels production; provided that the Department shall report to the Legislature on the rationale and justification for any increase;
- (2) Changing the effective date of the measure to July 1, 2050, to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2262, 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. 2262, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kahele).

SCRep. 3329 Ways and Means 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.

Prior to decision making, your Committee made available for public review a proposed S.D. 2, which deleted the contents of this measure and replaced it with language restoring the general excise tax exemption for sales of computer hardware, computer software, and telecommunications equipment to the United States and state-chartered credit unions.

Written comments on this measure were submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that Act 105, Session Laws of Hawaii 2011, temporarily suspended certain exemptions from the general excise tax. One of the suspended exemptions is for the general excise tax imposed on tangible personal property, including computer hardware, computer software, and telecommunications equipment, that is sold by a person licensed under chapter 237, Hawaii Revised Statutes, to the United States and to any state-chartered credit union, pursuant to section 237-25(a)(3), Hawaii Revised Statutes. Your Committee also finds that not providing this exemption imposes a financial burden on state businesses that sell computer hardware, computer software, and telecommunications equipment to the federal government and puts them at a disadvantage when competing with out-of-state businesses that are not obliged to pay the State's general excise tax. Your Committee believes this measure is necessary to promote the growth and maintain the competitiveness of local businesses that sell goods to the federal government.

Your Committee has amended this measure by replacing its contents with the amendments in the proposed S.D. 2 and has further amended this measure by:

- (1) Making a housekeeping amendment to Act 105, Session Laws of Hawaii 2011, to comply with federal law;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 798, 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. 798, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11, Ayes with Reservations (Sлом). Noes, none. Excused, 3 (Dela Cruz, Kouchi, Ryan).

SCRep. 3330 Ways and Means on H.B. No. 2380

The purpose and intent of this measure is to establish a working group to analyze options for reducing shipping time and costs for goods transported from Molokai, Lanai, and Hana, Maui to Oahu.

Written comments in support of this measure were submitted by the Office of Hawaiian Affairs and the Maui County Council. Written comments were submitted by the Department of Business, Economic Development and Tourism.

Your Committee finds that the smaller islands and remote areas of the State are significantly impacted by high shipping costs and the lack of timely transportation scheduling. Your Committee also finds that the working group created by this measure will assist the State in identifying and analyzing possible solutions to the rising costs of shipping.

Your Committee has amended this measure by:

- (1) Clarifying that the executive director of the Hawaii Farmers Union United shall serve as a member of the working group; and
- (2) Making an appropriation, to be expended by the Department of Business, Economic Development, and Tourism, for the necessary resources to study and examine options and assess incentives to improve the timely shipping of goods from Lanai, Molokai, and Hana, Maui to Oahu.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2380, 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. 2380, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

SCRep. 3331 Ways and Means on H.B. No. 2524

The purpose and intent of this measure is to advance and improve the State's broadband capabilities and use to enable the State to compete successfully in today's global economy.

Specifically, this measure:

- (1) Establishes a two member Communications Commission within the Department of Commerce and Consumer Affairs;
- (2) Directs the Communications Commission to:
 - (A) Recommend a regulatory framework for telecommunications and cable operators, including legislation to streamline the regulation;
 - (B) Submit annual reports on its activities, including any recommended rules or laws; and
 - (C) Develop demonstration projects that expedite the permitting process relating to constructing broadband infrastructure and submit a status report on outcomes of the demonstration projects; and
- (3) Appropriates funds from the cable television division subaccount of the compliance resolution fund to implement the measure.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Commerce and Consumer Affairs; Public Utilities Commission; and Oceanic Time Warner Cable.

Written comments on this measure were received from the Department of Human Resources Development.

Your Committee finds that establishing a Communications Commission to establish policies to increase investment in and further the deployment of broadband infrastructure within the State would promote the economic interests of the State, as well as address the interests and concerns of all stakeholders. High speed broadband services at affordable prices are essential for improvements in education, health, public safety, research and innovation, economic development, and government, as well as in the daily life of the State's residents.

Your Committee has amended this measure by:

- (1) Clarifying that the Communications Commission may appoint attorneys without regard to civil service law and appoint necessary staff with or without regard to civil service law;
- (2) Providing that the Commission's demonstration projects are to be developed within forty-five to ninety day timetables;
- (3) Clarifying that the legislation to streamline regulation of telecommunications carriers and cable operators shall take effect by January 1, 2014; 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 H.B. No. 2524, 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. 2524, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 3332 Ways and Means on H.B. No. 2526

The purpose and intent of this measure is to require providers of broadband service to file reports on broadband access availability, price, and the same information required by the Federal Communications Commission.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; and the Department of Commerce and Consumer Affairs.

Your Committee received written comments on this measure from Oceanic Time Warner Cable.

Your Committee finds that data on broadband availability will assist the Department of Business, Economic Development, and Tourism in effectively developing initiatives promoting the expansion and enhancement of broadband infrastructure and services.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "broadband speed threshold" to include reference to the most recent broadband progress report issued by the Federal Communications Commission to Congress; and
- (2) Changing the filing date of the information reports from January 31 to March 1, to coincide with the Federal Communication Commission's deadline for carriers to file their Form 477 and to ensure that the Department of Commerce and Consumer Affairs receives information consistent with information provided to the Federal Communication 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. 2526, 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. 2526, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 3333 Ways and Means on H.B. No. 1972

The purpose and intent of this measure is to clarify the basis for, and limit the amount of, fees charged for services rendered by the State Historic Preservation Division of the Department of Land and Natural Resources.

More specifically, the measure:

- (1) Limits the fees charged by the comprehensive historic preservation program to those that are proportional to the complexity of the services being provided and which do not exceed the annual operating costs of the program; and
- (2) Directs the Division to develop signage for the State's cultural and historical resources.

Written comments in support of this measure were submitted by the Historic Hawaii Foundation.

Your Committee finds that allowing the comprehensive historic preservation program to charge fees that reflect the nature of the services provided by the program would assist the historic preservation division in maintaining the viability of the comprehensive historic preservation program and in preserving Hawaii's unique cultural and architectural heritage. The historic preservation program is important to the perpetuation and preservation of the State's unique historic and cultural resources, which are vital to our quality of life, economic viability, and environmental sustainability.

Your Committee further finds that the State Historic Preservation Division is best qualified to develop signage for the State's historical and cultural resources, and accordingly, this duty should be delegated to the Division.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1972, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, none.

SCRep. 3334 (Majority) Ways and Means on H.B. No. 2869

The purpose and intent of this measure is to support the motion picture, digital media, and film production industries in the State.

More specifically, the measure, among other things:

- (1) Establishes the Hawaii film and digital media special fund and provides that the moneys deposited into the fund shall include quarterly payments made by the Department of Taxation, in an amount equal to two per cent of the total aggregate wages and salaries paid to legal residents of the State by qualified productions and qualified infrastructure projects;
- (2) Repeals part IX of chapter 201, Hawaii Revised Statutes, relating to Hawaii television and film development;
- (3) Amends the motion picture, digital media, and film production income tax credit by:

- (A) Adding an additional credit amount for an unspecified per cent of the qualified production costs paid to legal residents of this State and to Hawaii vendors and Hawaii suppliers;
 - (B) Amending the total tax credit cap to an unspecified amount;
 - (C) Authorizing the Department of Business, Economic Development, and Tourism to establish and charge a fee for generating the taxpayer letter that states the taxpayer's qualified production costs and tax credit amount and is required to be submitted to the Department of Taxation;
 - (D) Requiring the Department of Business, Economic Development, and Tourism to report annually to the Governor and the Legislature on the return on investment and economic benefits of the tax credit to the State; and
 - (E) Requiring increased hiring of legal residents of this State;
- (4) Establishes a motion picture, digital media, and film production infrastructure tax credit for an unspecified per cent of qualified infrastructure costs with an unspecified cap on the tax credit claimed;
 - (5) Appropriates funds to the Department of Business, Economic Development, and Tourism and the Department of Accounting and General Services for additional resource and staffing support to assist state agencies in collecting and reporting annually on estimates of the full-time equivalent positions for legal Hawaii residents by each production receiving tax credits; and
 - (6) Deletes the motion picture, digital media, and film production income tax credit sunset date of July 1, 2016.

Written comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism; Hyperspective Studios; Island Film Group; SHM Partners/Film Studio Group; and two individuals. Written comments on this measure were submitted by the Department of Budget and Finance.

Your Committee believes that this measure will stimulate the State's economy by fostering the expansion of Hawaii's film, television, entertainment, digital media, and music industries. Your Committee finds that, in recent years, the success of film and television productions in the State has demonstrated great potential to bolster both the local economy and the State's primary industry of tourism. Your Committee also finds that the incentives provided by this measure will encourage the use of Hawaii as a site for filming and the digital production of films and help to develop and sustain the workforce and infrastructure necessary for the growth of Hawaii's film, television, entertainment, digital media, and music industries.

Your Committee has amended this measure by:

- (1) Providing that the quarterly payments to the Hawaii film and digital media special fund shall be made by the Director of Finance, rather than the Department of Taxation;
- (2) Specifying that the additional credit amount to the motion picture, digital media, and film production income tax credit shall be equal to ten per cent of the qualified production costs paid to legal residents of this State and to Hawaii vendors and Hawaii suppliers;
- (3) Clarifying that information provided to fulfill reporting requirements regarding full-time equivalent positions created by qualified productions and qualified infrastructure projects for legal Hawaii residents shall be based on the actual numbers of full-time equivalent positions, rather than estimates;
- (4) Increasing the tax credit cap for the motion picture, digital media, and film production income tax credit from \$8,000,000 to \$16,000,000 per qualified production;
- (5) Specifying that the amount of the motion picture, digital media, and film production infrastructure tax credit shall be equal to fifty per cent of qualified infrastructure costs;
- (6) Specifying that the tax credit cap for the motion picture, digital media, and film production infrastructure tax credit shall be \$25,000,000 for each qualified infrastructure project;
- (7) Requiring the Department of Business, Economic Development, and Tourism to contract with the Hawaii Tourism Authority for the development of a film and digital media implementation plan to leverage marketing and promotional opportunities with the Hawaii Tourism Authority's current marketing efforts;
- (8) Authorizing the Department of Business, Economic Development, and Tourism and the Department of Taxation, respectively, to establish new positions to address the expanded workload and processing requirements related to the tax credits amended or established by this measure and appropriating funds to fund those positions; and
- (9) 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 H.B. No. 2869, 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. 2869, 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. 3335 Ways and Means on H.B. No. 1874

The purpose and intent of this measure is to authorize the Speaker of the House of Representatives and the President of the Senate to appoint any legislator within their respective houses, whose district is impacted by vog, to the Interagency Task Force on Vog.

Your Committee finds that expanding the membership of the Interagency Task Force on Vog will ensure that all senators and representatives of districts affected by vog may participate in the task force to recommend measures and strategies to mitigate the effects of vog.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1874, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3336 Ways and Means on H.B. No. 1974

The purpose and intent of this measure is to:

- (1) Remove the residency requirement for the burial of members of the United States Armed Forces and their dependents in veterans cemeteries in this State; and
- (2) Establish criteria consistent with the United States Department of Veterans Affairs' eligibility requirements for burial in a national or state cemetery,

for a period of three years, from July 1, 2012 to June 30, 2015.

Your Committee finds that this measure will ensure that Hawaii's eligibility requirements for burial in a state veterans cemetery conforms to the eligibility requirements of the United States Department of Veterans Affairs for burial in a national or state cemetery.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1974, 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 (Kouchi).

SCRep. 3337 (Majority) Ways and Means on H.B. No. 2264

The purpose and intent of this measure is to increase employer contribution rates to the state unemployment compensation fund effective January 1, 2013.

Written comments in support of this measure were submitted by the Department of Labor and Industrial Relations.

Your Committee finds that the unemployment insurance trust fund is precariously low as a result of the recent prolonged economic downturn. Your Committee further finds that this measure will restore the unemployment insurance trust fund balance to an adequate level, by increasing certain employers' maximum unemployment insurance contribution rates to a maximum rate of 6.6 percent.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2264, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11, Ayes with Reservations (Ryan). Noes, 1 (Slom). Excused, 2 (Chun Oakland, Kim).

SCRep. 3338 Ways and Means on H.B. No. 2578

The purpose and intent of this measure is to improve government efficiency by abolishing the Advisory Council for Community Services.

Written comments in support of this measure were submitted by the Department of Labor and Industrial Relations.

Your Committee finds that the Advisory Council for Community Services currently has no appointed members. In fact, the Advisory Council has been inactive for almost a decade and no new members have been appointed. Abolishing the essentially defunct Advisory Council would contribute to streamlining government by reducing unnecessary bureaucracy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2578, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kim).

SCRep. 3339 (Majority) Ways and Means on H.B. No. 2626

The purpose and intent of this measure is to make the passage from home to school safer for children.

More specifically, this measure promotes and makes walking and bicycling to school safer by permanently establishing the safe routes to school program within the Department of Transportation.

Written comments on this measure were submitted by the Department of Budget and Finance.

Your Committee finds that thirty-eight schools in the State have safe routes to school programs that are extremely successful in increasing the number of children walking and biking to school. This measure will make the safe routes to school program permanent and available to children throughout the State.

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. 2626, 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. 2626, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 2 (English, Kahele).

SCRep. 3340 (Majority) Ways and Means on H.B. No. 2527

The purpose and intent of this measure is to improve the effectiveness of public school educators through a strong performance evaluation system.

Specifically, this measure:

- (1) Requires the Department of Education to establish a performance management program that includes an evaluation component for teachers and educational officers;
- (2) Conditions the granting of annual salary increments, longevity step increases, and other incentives for teachers and educational officers upon a service rating of "effective" or "highly effective" on an annual evaluation; and
- (3) Requires teachers entering the service of the Department of Education for the first time to serve a minimum probationary period of three years prior to obtaining tenure.

Your Committee received written comments in support of this measure from the Hawaii Business Roundtable and Imua Alliance. Written comments on this measure were received from the Office of Hawaiian Affairs.

Your Committee finds that improved student outcomes are critical to the future of Hawaii, and improving the effectiveness of educators is key to achieving those outcomes. This measure provides the Department of Education the means to establish a performance management system that cultivates and supports highly effective educators, provides the public with assurances regarding the quality of Hawaii's public schools, and codifies Hawaii's federal Race to The Top commitments.

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. 2527, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2527, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11, Ayes with Reservations (Kim). Noes, 2 (Kahele, Kouchi). Excused, 1 (English).

SCRep. 3341 Ways and Means on H.B. No. 2152

The purpose and intent of this measure is to increase the fee schedule of compensation for medical care, services, and supplies in workers' compensation cases from one hundred ten per cent to one hundred thirty per cent of the Medicare Resource Based Relative Value Scale applicable to Hawaii, as prepared by the United States Department of Health and Human Services, effective January 2, 2013.

Your Committee received written comments in support of this measure from Hawaii Rehabilitation Counseling Association; ILWU Local 142; Kaiser Permanente; Hawaii Medical Association; and four individuals.

Your Committee received written comments in opposition to this measure from Hawaiian Electric Company, Inc; American Insurance Association; and one individual. Written comments on this measure were received from the Department of Human Resources Development; Department of Labor and Industrial Relations; and Department of Commerce and Consumer Affairs.

Your Committee finds that only ten per cent of Hawaii's physicians currently are willing to treat workers' compensation patients. Those physicians experience a high cost in paperwork and reporting requirements and must spend extra time and effort to communicate with employers and insurance carriers because disability benefits are included.

Your Committee also finds that the lack of qualified physicians who are willing to treat workers' compensation patients means that these patients may go untreated or may obtain substandard care. Your Committee further finds that the current workers' compensation reimbursement rate may not cover the cost of the provided health care treatment.

Accordingly, your Committee has amended this measure by deleting its contents and instead requiring the Office of the Auditor to conduct a study on the workers' compensation system in the State so that the Legislature may appropriately address this issue. Your Committee recommends that the Auditor consider the framework used by the Legislative Reference Bureau to conduct its 2007 report, "Workers' Compensation Fee Schedules, Maximum Allowable Fees, and Comparative Reimbursements" when conducting the study required under this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2152, 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. 2152, 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. 3342 (Majority) Ways and Means on H.B. No. 609

The purpose and intent of this measure is to provide for the health care needs of the public by:

- (1) Authorizing the Hawaii Health Systems Corporation to bring the Hawaii Medical Center-East facility under its governance through formal affiliation or acquisition; and
- (2) By providing funding for this purpose.

Your Committee finds that a public-private partnership between the owners of the facility previously known as the Hawaii Medical Center-East and the Hawaii Health Systems Corporation will help to address the current need for skilled nursing and the future need for additional long-term care beds in Hawaii.

Your Committee has amended this measure by:

- (1) Authorizing the assimilation of the Hawaii Medical Center-East into the Hawaii Health Systems Corporation by session law instead of codifying the provision in statute; 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 H.B. No. 609, 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. 609, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

SCRep. 3343 (Majority) Ways and Means on H.B. No. 2275

The purpose and intent of this measure is to ensure access to health care for medicaid recipients by providing a means to increase medicaid payments to health care providers.

Specifically, this measure:

- (1) Establishes a hospital sustainability fee, which is a provider fee on health care items or services provided by hospitals; and
- (2) Establishes a hospital sustainability program special fund to receive moneys from the hospital sustainability fee and designates those moneys to be used to match federal medicaid funds.

Written comments in support of this measure were submitted by the Department of Human Services. Written comments on this measure were submitted by the Department of Budget and Finance.

Your Committee finds that hospitals in the State face financial challenges in providing quality health care due, in large part, to medicaid payments that do not cover the actual costs of care for medicaid enrollees. Currently, forty-seven states and the District of Columbia use provider fees as a means of drawing down federal funds to sustain state medicaid programs. Your Committee further finds that the provider fee established by this measure will allow the State to draw down additional federal medicaid matching funds that will help financially sustain hospitals in the State by increasing payments for the care of medicaid enrollees.

Your Committee has amended this measure by:

- (1) Deleting the definitions of the terms "acute care day" and "outpatient care";
- (2) Amending the definition of the term "hospital" to mean any facility licensed pursuant to section 11-93, Hawaii Administrative Rules;
- (3) Amending the definition of the term "net patient service revenue" to mean inpatient hospital gross revenue divided by total gross revenue multiplied by the net patient revenue;
- (4) Defining the term "private hospital" to mean a hospital currently operating and named in attachment "A" of the QUEST Expanded Medicaid Section 1115 Demonstration Waiver;
- (5) Clarifying the sources of moneys that may be deposited into the hospital sustainability program special fund by deleting the requirement for all federal medicaid funds received as a result of matching revenue from the hospital sustainability fee to be deposited into the special fund;
- (6) Clarifying that the Department of Human Services is the expending agency for the hospital sustainability program special fund;
- (7) Amending the exclusive uses of revenue from the hospital sustainability fee to include direct payments to private hospitals for the uncompensated care costs of serving medicaid-insured and uninsured individuals;
- (8) Changing the effective date of the provider fee to the later of July 1, 2012, or the date of federal approval of the Section 1115 waiver amendment establishing the private hospital uncompensated care pool;
- (9) Clarifying that the provider fee applies to inpatient services provided by hospitals;
- (10) Establishing a basis for calculating a hospital's inpatient service revenue;
- (11) Assessing the hospital sustainability fee on all private hospitals at a rate of 5.50 per cent of net inpatient hospital service revenues, subject to certain exceptions;
- (12) Placing conditions on the Department of Human Services' discretion to modify the structure of the hospital sustainability fee, if needed to obtain a federal waiver, including requiring agreement with the hospital trade association located in Hawaii;

- (13) Requiring the hospital sustainability fee to be paid in equal quarterly installments, instead of on a monthly basis, subject to certain conditions;
- (14) Authorizing the Department of Human Services to seek an amendment to the Section 1115 waiver to establish the private hospital uncompensated care pool;
- (15) Reducing the penalty for failure to pay the hospital sustainability fee from five per cent to two per cent of the fee that was not paid when due;
- (16) Changing the required use of revenue from the hospital sustainability fee and federal matching funds from enhancing the capitated rates paid to QUEST and QUEST expanded access plans to reimbursing private hospitals an amount equal to \$72,000,000 annually for uncompensated care costs incurred by private hospitals for serving medicaid and uninsured individuals;
- (17) Clarifying the conditions that trigger the termination of the hospital sustainability fee;
- (18) Requiring, upon termination of the hospital sustainability fee, moneys remaining in the special fund to be distributed within thirty days to the hospitals in proportion to their contributions;
- (19) Changing the effective date to July 1, 2012; and
- (20) 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. 2275, 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. 2275, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11, Ayes with Reservations (Ryan). Noes, 1 (Slom). Excused, 2 (Chun Oakland, Kim).

SCRep. 3344 Ways and Means on H.B. No. 2806

The purpose and intent of this measure is to facilitate the preservation and protection of Hawaiian culture, native Hawaiian burial sites, and the State's environment.

Specifically, the measure:

- (1) Establishes the Aha Moku Advisory Committee within the Office of Hawaiian Affairs, which may advise the Chairperson of the Board of Trustees of the Office of Hawaiian Affairs;
- (2) Appropriates an unspecified sum for fiscal year 2012-2013 for the administrative costs related to carrying out the duties of the Aha Moku Advisory Committee; and
- (3) Establishes a reduced quorum requirement for island burial council meetings.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Sovereign Councils of the Hawaiian Homelands Assembly, Sovereign Moku-puni Council O Oahu, and Papa Ola Lokahi.

Your Committee received written comments in opposition to this measure from the Office of Hawaiian Affairs, Aupuni O Hawaii, and one individual. Your Committee received written comments on this measure from the Society for Hawaiian Archaeology.

Your Committee finds that the aha moku system consists of best practices derived from the indigenous resource management practices of moku (regional) boundaries, which acknowledge the land's natural contours, the specific resources found there, and the methodology necessary to sustain those resources and the community. This measure authorizes the Aha Moku Advisory Committee to advise the Chairperson of the Board of Trustees of the Office of Hawaiian Affairs on issues related to land and natural resources management through the aha moku system, which will help sustain the State's natural resources, promote community education, and foster cultural awareness regarding the benefits of the aha moku system.

Your Committee also finds that because island burial councils have experienced difficulty in meeting quorum requirements, reducing the quorum requirements is necessary to allow the island burial councils to meet and fulfill their duties.

Your Committee has amended this measure by:

- (1) Placing the Aha Moku Advisory Committee within the Department of Land and Natural Resources, instead of the Office of Hawaiian Affairs;
- (2) Amending references to the Board of Trustees of the Office of Hawaiian Affairs to the Board of Land and Natural Resources;
- (3) Clarifying language concerning the island burial councils' difficulty meeting quorum requirements; 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. 2806, 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. 2806, 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. 3345 Ways and Means on H.B. No. 246

The purpose and intent of this measure is to appropriate moneys to the Department of the Prosecuting Attorney of the City and County of Honolulu to provide services for state mandated programs.

Your Committee received written comments in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that this measure appropriates funds for grants-in-aid to the Department of the Prosecuting Attorney of the City and County of Honolulu to support the Career Criminal Prosecution Unit, the Drug Court Program, Hawaii's Opportunity Probation with Enforcement Program, and the Victim Witness Assistance Program, including the hiring of necessary staff. This measure will assist the Department of the Prosecuting Attorney in maximizing services to the community through these programs.

Your Committee has amended this measure by:

- (1) Changing the appropriations to unspecified amounts; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 246, 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. 246, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kouchi, Ryan).

SCRep. 3346 (Majority) Ways and Means on H.B. No. 2766

The purpose and intent of this measure is to ensure that the State's wage and hour law is strictly enforced on public works projects.

Specifically, the measure:

- (1) Establishes the wage and hour for public works projects special fund and requires a certain percentage of capital improvement construction funds to be transferred to the special fund to enforce the provisions of chapter 387, Hawaii Revised Statutes;
- (2) Requires the Department of Labor and Industrial Relations to submit annual reports to the Legislature relating to the special fund; and
- (3) Appropriates funds for three labor law specialist IV positions to enforce wage and hours laws for employees on public works projects.

Written comments in support of this measure were submitted by the Department of Labor and Industrial Relations. Written comments were submitted by the Department of Budget and Finance.

Your Committee finds that public works projects face issues involving adherence to wage and hour laws and that the State has a direct interest in enforcing these laws. Your Committee further finds that providing funding for more inspectors will ensure wage and hour law compliance for public works projects.

Your Committee has amended this measure by:

- (1) Changing to an unspecified percentage the amount of all state fund appropriations that are made available for capital improvements designated for the construction cost element that is to be transferred into the wage and hour for public works projects special fund to an unspecified percentage;
- (2) Clarifying that the provisions of chapter 104, Hawaii Revised Statutes, shall be enforced on public works projects rather than chapter 387, Hawaii Revised Statutes; 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. 2766, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2766, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 1 (Slom). Excused, 3 (Dela Cruz, Kidani, Tokuda).

SCRep. 3347 Ways and Means on H.B. No. 1755

The purpose and intent of this measure is to update the voter registration laws to establish a convenient means for individuals to register to vote and increase voter participation.

Among other things, this measure:

- (1) Authorizes the county clerk to accept electronic voter registration applications;
- (2) Deletes requirements that the county clerk maintain segregated records for the Office of Hawaiian Affairs registered voters and that a person voting for the Board of Trustees of the Office of Hawaiian Affairs affirm that the person is Hawaiian;
- (3) Makes an unspecified appropriation for fiscal year 2012-2013 for the purpose of planning and designing an online voter registration system; and
- (4) Repeals the requirement that a list of registered voters in each precinct be posted at precinct polling places.

Your Committee received written comments in support of this measure from the Office of Elections; Office of the County Clerk, County of Kauai; Office of the County Clerk, County of Maui; Office of the County Clerk, County of Hawaii; and four individuals.

Your Committee finds that this measure establishes a convenient method for registering to vote, which will expedite the voter registration process for registrants as well as election officials. Additionally, an online voter registration system may encourage more people to register to vote and participate in voting. The measure also repeals obsolete provisions regarding elections for the Office of Hawaiian Affairs.

Your Committee has amended this measure by:

- (1) Making a conforming amendment to section 12-5(c), Hawaii Revised Statutes, to reflect the amendments to section 11-15, Hawaii Revised Statutes, in this measure;
- (2) Changing the effective date to July 1, 2012, and clarifying that the amendments relating to voter registration shall apply to all primary, special, nonpartisan, and general elections, beginning with the primary election of 2016; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1755, 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. 1755, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Espero, Kim, Kouchi).

SCRep. 3348 Ways and Means on H.B. No. 1295

The purpose and intent of this measure is to address the problem of unlicensed contractors by imposing criminal penalties upon persons who engage in contracting activity without a license.

Specifically, this measure:

- (1) Makes it a misdemeanor for a person without a contractor's license to engage in activity requiring a contractor's license;
- (2) Makes habitual unlicensed contracting activity a class C felony; and
- (3) Makes unlicensed contractor fraud a class B or C felony, depending upon the value of the victim's loss.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations; Department of Commerce and Consumer Affairs, Regulated Industries Complaints Office; Building Industry Association Hawaii; Complete Construction Services; and Pacific Resource Partnership.

Written comments on this measure were received from the Department of the Attorney General; and Department of Commerce and Consumer Affairs, Contractors License Board.

Your Committee finds that unlicensed contractors often operate without regard to safety and building requirements, unfairly undercut legitimate and licensed business operations, place consumers at risk, and cost the State millions of dollars in lost tax revenue. Your Committee further finds that unlicensed contractors often continue to engage in illegal work despite receiving civil penalties. Authorizing the imposition of criminal penalties on unlicensed contractors will help reduce the number of unlicensed contractors performing illegal work, promote legitimate businesses, protect consumers, and enhance State revenues.

Your Committee has amended this measure by:

- (1) Clarifying that, with respect to applying the offense of unlicensed contracting activity, each day of violation that occurs after written notice of the violation is provided to the unlicensed contractor is a distinct and separate offense;
- (2) Clarifying that affirmative defenses shall apply to prosecutions, for purposes of consistency with other affirmative defense provisions of the Hawaii Revised Statutes;
- (3) Clarifying that the monetary threshold for a class B felony unlicensed contractor fraud is a total value "exceeding \$20,000" to be consistent with the threshold of theft in the first degree pursuant to section 708-830.5(1)(a), Hawaii Revised Statutes; and
- (4) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1295, 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. 1295, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

SCRep. 3349 Ways and Means on H.B. No. 2265

The purpose and intent of this measure is to facilitate the efficient purchasing of goods, services, and construction by public agencies.

Specifically, the measure makes permanent the amendments made to section 103D-305, Hawaii Revised Statutes, by Act 175, Session Laws of Hawaii 2009, that:

- (1) Increase the limits on procurements qualifying for certain small purchase procedures to \$100,000 for goods or services and \$250,000 for construction;

- (2) Provide that procurements greater than \$50,000 for construction require performance bonds; and
- (3) Require procurements of \$25,000 to less than \$100,000 to be made in accordance with small purchase procedures.

Written comments in support of this measure were submitted by the State Procurement Office; the Department of Finance, County of Kauai; and the General Contractors Association of Hawaii.

Your Committee finds that certain sections of Act 175 need to be made permanent to allow more expeditious execution of procurements, particularly procurements funded in part by federal stimulus funding. Your Committee also finds that an electronic procurement system is the fairest, most efficient, time saving method of procuring small purchases. Electronic procurement ensures the greatest amount of competition by electronically notifying all prospective bidders in an open and transparent environment. Your Committee believes that electronic procurement should apply to a wider range of procurements.

Your Committee has amended this measure by amending section 103D-305, Hawaii Revised Statutes, to:

- (1) Clarify the responsibility of procurement officers;
- (2) Require procurements greater than \$50,000 for construction to require performance and payment bonds;
- (3) Increase the procurement ceiling for purchases to be made in accordance with small purchase procedures from \$100,000 to \$250,000; and
- (4) Delete unnecessary language that required that rules and training occur prior to executing small purchase procurements through an electronic system since applicable rules and training are already in place.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2265, 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. 2265, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Kim, Kouchi).

SCRep. 3350 Ways and Means on H.B. No. 2798

The purpose and intent of this measure is to establish a temporary Veterans Treatment Court to be administered by a circuit court judge of the first judicial circuit.

Additionally, this measure:

- (1) Authorizes the Judiciary to establish four temporary positions for the purpose of implementing the temporary Veterans Treatment Court;
- (2) Appropriates funds for staffing, equipment, and other expenses for the implementation and operation of the temporary Veterans Treatment Court; and
- (3) Requires the Judiciary to submit a plan of implementation for the temporary Veterans Treatment Court to the Senate Committee on Ways and Means.

Your Committee received written comments in support of this measure from the Department of Veterans Affairs, Judiciary, and the Office of the Mayor of the City and County of Honolulu. Your Committee received written comments in opposition to this measure from the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that the State's prison system is severely overcrowded and that further alternatives to incarceration are needed, including the provision of appropriate treatment, counseling, and more intensive supervision. Successful intervention by the temporary Veterans Treatment Court is expected to have a long-term positive impact on prison overcrowding, the costs of high rates of incarceration, public safety, probation and parole workloads, and case flow through the judicial system. Your Committee notes that it has received the Judiciary's plan of implementation for the temporary Veterans Treatment Court.

Accordingly, your Committee has amended this measure by:

- (1) Deleting Part IV of the measure, which requires the Judiciary to submit a plan of implementation for the temporary Veterans Treatment Court to the Senate Committee on Ways and Means; 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. 2798, 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. 2798, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3351 Ways and Means on H.B. No. 2872

The purpose and intent of this measure is to authorize the Department of Business, Economic Development, and Tourism to designate an aerospace high technology district that encompasses downtown Hilo, within which shall be located an aerospace high technology facility or complex.

Your Committee received written comments in support of this measure from the Hawaii County Council.

Your Committee finds that the development of an aerospace high technology district on the island of Hawaii will create an environment where major aerospace and lunar transportation companies will want to come for research, to test equipment and technologies, and to work collaboratively with the University of Hawaii to engage in clean, high technology research and development. The development of and investment in the aerospace industry offers great potential for sustainable long-term economic growth that will help bring investment to Hawaii and create high paying, sustainable, high technology jobs.

Your Committee has amended this measure by:

- (1) Incorporating the tax credit and exemptions into the new statutory chapter established by section 2 of the measure instead of amending chapters 235, 237, and 238, Hawaii Revised Statutes;
- (2) Extending the repeal date to June 30, 2022; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2872, 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. 2872, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3352 Ways and Means on H.B. No. 2515

The purpose and intent of this measure is to:

- (1) Allow for the sentence of probation for certain second-time drug offense convictions;
- (2) Clarify that a person sentenced to probation as a first or second time drug offender who had not previously been sentenced under the sentencing statute shall be eligible for one time only for expungement;
- (3) Allow for probation for a period of four years for certain class B or class C felonies; and
- (4) Requires the defendant's probation officer to report to the court concerning the defendant's compliance or non-compliance with conditions of probation.

Written comments in support of this measure were submitted by the Judiciary; Department of Public Safety; Office of Public Defender; Office of Hawaiian Affairs; Hawaii Substance Abuse Coalition; Community Alliance on Prisons; and the American Civil Liberties Union of Hawaii. Written comments in opposition to this measure were submitted by the Police Department of the City and County of Honolulu. Written comments were submitted by the Department of the Prosecuting Attorney.

Your Committee finds that the rates of crime, victimization, and arrests and felony convictions for violent and property crimes have declined, while the number of persons incarcerated or under probation supervision, in some cases, has increased. Your Committee also finds that existing law requires the courts to impose a prison sentence for an offender who has a second felony conviction for drug possession. This measure amends the law to allow for second-time drug offenders to be eligible for probation.

Your Committee has amended this measure by:

- (1) Clarifying that a person sentenced to probation as a first or second time drug offender shall be eligible for only one expungement; 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. 2515, 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. 2515, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3353 Ways and Means on H.B. No. 2004

The purpose and intent of this measure is to protect consumers and legitimate businesses from unauthorized transportation services rendered for compensation by establishing a new criminal offense for these activities.

Your Committee received written comments in support of this measure from Robert's Hawaii Incorporated, Visitor Transit Coalition, Hawaii Transportation Association, and Polynesian Hospitality Incorporated. Your Committee received written comments on this measure from the Public Utilities Commission.

Your Committee finds that there have been complaints about illegal commercial transportation services that arrive ahead of scheduled pickups by legitimate businesses to collect customers and fares meant for the legitimate business. Tourists have complained about being deceived into paying higher-than-quoted fares and additional payments and being driven to destinations without subsequent return transportation. This measure seeks to halt the activities of illegal transportation services that fail to comply with industry requirements, deceive customers, and steal the business of legitimate transportation operators.

Your Committee has amended this measure by:

- (1) Replacing references to "visitor" with "consumer" with regard to the victims of the new offense established by this measure;
- (2) Amending the definition of "bona fide transportation service" to:

- (A) Clarify that it includes the operation of a licensed taxi cab;
 - (B) Require that vehicles used in the transportation service display a valid identification number issued by the Public Utilities Commission pursuant to section 271-29, Hawaii Revised Statutes; and
 - (C) Replace the reference to “medical examiner’s certificate” with “medical examination certificate”; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2004, 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. 2004, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3354 Ways and Means on H.B. No. 2800

The purpose and intent of this measure is to preserve access to interisland travel via rural airports by temporarily prohibiting the Department of Transportation from assessing landing fees upon air carriers for flights landing at Molokai Airport, Lanai Airport, Kapalua-West Maui Airport, Hana Airport, Kalaupapa Airport, and Waimea-Kohala Airport.

Your Committee finds that this measure addresses the financial burden experienced by smaller air carriers that service vital rural airports, while ensuring that the State remains eligible to receive federal grants for airport 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 H.B. No. 2800, 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. 2800, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3355 Ways and Means on H.B. No. 2320

The purpose and intent of this measure is to implement the recommended amendments of the Ignition Interlock Implementation Task Force to the ignition interlock law.

Specifically, this measure, among other things:

- (1) Allows a person whose driver’s license was revoked after December 31, 2010, to apply for a driver’s license renewal, subject to the requirements of the ignition interlock law;
- (2) Enables a repeat intoxicated driver who is arrested after December 31, 2010, and is otherwise eligible to operate a motor vehicle with an ignition interlock system to obtain a motor vehicle registration and number plates, by requiring the Director of Transportation to remove any stopper imposed on the motor vehicle registration files;
- (3) Allows a person whose driver’s license was revoked for life for multiple convictions for operating a vehicle under the influence of an intoxicant, among other persons, to petition for an ignition interlock instruction permit and establishes procedures to do so;
- (4) Repeals the requirement that the law enforcement officer making an arrest for operating a vehicle under the influence of an intoxicant take possession of the motor vehicle registration of a repeat intoxicated driver, remove the number plates, and issue a temporary motor vehicle registration and temporary license plates;
- (5) Repeals the authorization of the Director of Transportation to grant a special motor vehicle registration to a qualified household member or to a co-owner of any motor vehicle owned by the respondent;
- (6) Repeals the requirement that the Director of Transportation administratively revoke the registration of any vehicle owned or registered to the respondent, and take custody of any number plates issued to the respondent, if the director determines that the respondent is a repeat intoxicated driver;
- (7) Requires proof that the respondent has installed an ignition interlock device in any vehicle the respondent operates and has obtained motor vehicle insurance or self-insurance, before the Director of Transportation issues an ignition interlock permit during the license revocation period; and
- (8) Prohibits the issuance of an ignition interlock permit to a respondent who holds a license that is a learner’s permit or instruction permit.

Written comments in support of this measure were submitted by the City and County of Honolulu; County of Maui - Police Department; Mothers Against Drunk Driving Hawaii; and one individual. Written comments in opposition to this measure were submitted by the County of Hawaii - Police Department. Written comments on this measure were submitted by the Department of the Attorney General; Judiciary - Administrative Driver’s License Revocation Office; and City and County of Honolulu - Police Department.

Your Committee finds that, in 2008, the Ignition Interlock Implementation Task Force agreed to develop a basic framework for an ignition interlock program, and it was understood that the program would be a work in progress. The ignition interlock program is now

in its second year of operation, and the Task Force's legislative subcommittee recommended this measure to address certain unresolved and new issues that became apparent after the law took effect on January 1, 2011.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2320, 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. 2320, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3356 Ways and Means on H.B. No. 2589

The purpose and intent of this measure is to clarify responsibility for the disposing of abandoned vessels within the State.

More specifically, the measure:

- (1) Authorizes a state agency or department, through its director, to determine whether a vessel on public property within its jurisdiction is abandoned and to direct and cause an abandoned vessel to be taken into custody and disposed of;
- (2) Authorizes a county, through its mayor, the mayor's designee, or the county chief of police, to determine whether a vessel on public property within the county's jurisdiction is abandoned and to direct and cause an abandoned vessel to be taken into custody and disposed of;
- (3) Provides that all vessels abandoned on private property shall be the responsibility of the private property owner;
- (4) Amends the description of an abandoned vessel;
- (5) Requires the Department of Land and Natural Resources to provide each county with access to vessel registration or marine document records; and
- (6) Specifies that a county's responsibility under this measure shall commence upon the earlier of:
 - (A) The Department of Land and Natural Resources or the United States Coast Guard providing access to its vessel registration or marine document records; or
 - (B) January 1, 2013.

Written comments in opposition to this measure were submitted by the City and County of Honolulu-Department of Parks and Recreation; the City and County of Honolulu; the County of Hawaii-Finance Department; the County of Kauai-Department of Public Works; and the Maui County Council.

Your Committee notes that, under current law, the disposal of any abandoned vessel in the State is the responsibility of the Department of Land and Natural Resources, regardless of whether the vessel is located on private land or on public land under the jurisdiction of a county or state agency. Your Committee finds that this measure would alleviate the logistical and financial burden placed upon the Department of Land and Natural Resources by clarifying that the Department shall be responsible for disposal of only those abandoned vessels located on lands and waters under its jurisdiction.

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 H.B. No. 2589, 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. 2589, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

SCRep. 3357 Ways and Means on H.B. No. 2871

The purpose and intent of this measure is to address safety concerns regarding increased recreational and commercial activities in nearshore waters.

Specifically, this measure directs the Department of Land and Natural Resources to establish a West Maui Ocean Recreation Management Area Advisory Committee to advise the Department on issues relating to state waters within the West Maui ocean recreation management area, particularly within the waters adjacent to Kaanapali.

Written comments in support of the measure were submitted by a member of the Maui County Council, representing East Maui.

Your Committee finds that prior attempts by the Department of Land and Natural Resources to form similar advisory committees were unsuccessful due to a lack of participation. However, the Department is willing to work with the community to reestablish a committee to ensure the safety of ocean waters and participants of nearshore recreational and commercial activities.

Your Committee has amended this measure by making a technical nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2871, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2871, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 2 (Kouchi, Tokuda).

SCRep. 3358 Ways and Means on H.B. No. 2127

The purpose and intent of this measure is to extend the lapse date of the authorization to issue special purpose revenue bonds that were previously authorized to assist Hawaii Preparatory Academy.

Written comments in support of this measure were submitted by the Hawaii Preparatory Academy; The Kohala Center; Hawaii Association of Independent Schools; and four individuals.

Your Committee finds that Act 116, Session Laws of Hawaii 2007, authorized the issuance of special purpose revenue bonds to assist the Hawaii Preparatory Academy and that extending the lapse date would allow the Hawaii Preparatory Academy to continue to make needed improvements to 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 H.B. No. 2127, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 3 (Espero, Kim, Kouchi).

SCRep. 3359 Health on Gov. Msg. No. 543.

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII HEALTH SYSTEMS CORPORATION

G.M. No. 543 ABELINA SHAW, for a term to expire 6-30-2013,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Abelina Shaw to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Health Systems Corporation.

Your Committee received testimony in support of the nomination of Abelina Shaw from the Hawaii Health Systems Corporation; Filipino Community Council; United Filipino Council of Hawaii; Nursing Advocates & Mentors, Inc.; Filipino American Citizens League; Filipino Coalition for Solidarity; AIM Healthcare Institute; Hawaii Filipino Lawyers Association; The Filipino Community Center, Inc.; Hawaii Friends of Civil Rights; Ilocos Surian Association of Hawaii; Filipinos For Affirmative Action; National Federation of Filipino American Associations; and four individuals.

Ms. Shaw has decades of experience in public service, including positions in law, public policy, public health, and government. Over her extensive career, Ms. Shaw has served as the Deputy Director of Health for state hospitals, Chief of Staff under Mayor Jeremy Harris, Deputy Attorney General, and as an attorney in private practice. Ms. Shaw has also served on twenty-seven boards or organizations over the course of her career.

Ms. Shaw has been challenged to address the needs of the poor, elderly, disenfranchised, and at-risk youth; to address such problems as health services, homelessness, and jobs; and to consider the ways that the government may address these issues. Ms. Shaw's experiences – both personal and professional - have led her to appreciate the importance of a system of government that cares about the health and welfare of its people and works hard to support public health and welfare with appropriate resources in the context of competing demands. Ms. Shaw is knowledgeable of the limitations, challenges, and possibilities of what the government and private sector can do to aid the people of the State and will continue to provide critical insight to support the goals of the Hawaii Health Systems Corporation.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, 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 (Shimabukuro, Slom).

SCRep. 3360 Commerce and Consumer Protection on Gov. Msg. Nos. 510 and 511.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PHARMACY

G.M. No. 510 JILL OLIVEIRA GRAY, for a term to expire 6-30-2014; and

G.M. No. 511 LYDIA KUMASAKA, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Jill Oliveira Gray and Lydia Kumasaka to possess the requisite qualifications to be nominated to the Board of Pharmacy.

Your Committee received testimony in support of the nomination of Jill Oliveira Gray from the Department of Commerce and Consumer Affairs and four individuals.

Upon review of the testimony, your Committee finds that Dr. Oliveira Gray's professional experience, commitment to community service, and proven leadership qualify her for appointment to the Board of Pharmacy as a public member. Your Committee notes that the nominee is a primary care psychologist who works primarily in rural, medically underserved areas. Dr. Oliveira Gray has served on multiple boards, held or currently holds various leadership positions in national and state organizations, and has worked in various clinical settings, which allows her to understand ethical issues of patient safety from a provider's perspective and a patient's

perspective. Your Committee further finds that the nominee currently serves as an interim appointee on the Board of Pharmacy and has been appointed to the Board of Pharmacy based on her knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Lydia Kumasaka from the Department of Commerce and Consumer Affairs and four individuals.

Upon review of the testimony, your Committee finds that Ms. Kumasaka's background in health care and passion for community service qualify her for appointment to the Board of Pharmacy as a public member. Your Committee notes that the nominee has worked as a nurse in the State for over twenty-five years, with the majority of her time spent in the pharmacologically complex field of pain and symptom management. Ms. Kumasaka has a desire and willingness to contribute her expertise to the community, and currently serves as a community representative at the University of Hawaii Manoa's School of Nursing and Dental Hygiene and as an interim appointee to the Board of Pharmacy. Your Committee further finds that the nominee has been appointed to the Board of Pharmacy based on her 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 (Solomon).

SCRep. 3361 (Joint/Majority) Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on S.R. No. 68

The purpose and intent of this measure is to request Hawaii's Congressional delegation to propose amendments to the United States Constitution to address campaign spending issues under the holding of *Citizens United v. Federal Election Commission*.

Your Committees received testimony in support of this measure from Common Cause Hawaii and two individuals.

Your Committees find that federal statutes and regulations prohibited corporations and unions from using their general treasury funds to make independent expenditures for speech that is an "electioneering communication" or for speech that expressly advocates the election or defeat of a candidate. However, the United States Supreme Court ruled essentially in the case of *Citizens United v. Federal Election Commission* that the "prohibition on corporate independent expenditures is an outright ban on speech." The holding in *Citizens United v. Federal Election Commission* is giving special interest groups and their lobbyists even more power in Washington, D.C., because it has resulted in undermining the influence of average Americans who make small contributions to support their preferred candidates. *Citizens United v. Federal Election Commission* represents a serious abrogation of rights in a democracy to freely elect representatives to Congress and to state legislatures.

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 concur with the intent and purpose of S.R. No. 68 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, 1 (Slom). Excused, 1 (Baker).

SCRep. 3362 (Joint) Hawaiian Affairs and Public Safety, Government Operations, and Military Affairs on S.C.R. No. 143

The purpose and intent of this measure is to:

- (1) Request the State's full compliance with the United States Office of Management and Budget's Statistical Policy Directive No. 15, entitled "Race and Ethnic Standards for Federal Statistics and Administrative Reporting"; and
- (2) Request the publication of collected data subject to applicable state and federal laws.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs.

Your Committees find that state agencies do not uniformly categorize their demographic data regarding Asians, Native Hawaiians, and other Pacific Islanders according to prevailing federal standards. These agencies also do not uniformly make their demographic data accessible to the public. For these reasons, entities like the Office of Hawaiian Affairs that work to address health, social, economic, and other needs of specific communities are often unable to gather sufficient data to identify and address the needs of these communities and to develop programs that can bring about meaningful systemic change.

Your Committees have amended this measure by:

- (1) Clarifying that the collected data requested to be made available to the public is race and ethnicity data;
- (2) Amending the title accordingly; and
- (3) Amending the stated approximate percentage of the State's population represented by Asian Americans, native Hawaiians, and other Pacific Islanders from 48.6 percent to 70 percent, for accuracy.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs 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. 143, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 143, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Baker, Hee, Slom, Solomon).

SCRep. 3363 (Joint) Hawaiian Affairs and Public Safety, Government Operations, and Military Affairs on S.R. No. 79

The purpose and intent of this measure is to:

- (1) Request the State's full compliance with the United States Office of Management and Budget's Statistical Policy Directive No. 15, entitled "Race and Ethnic Standards for Federal Statistics and Administrative Reporting"; and
- (2) Request the publication of collected data subject to applicable state and federal laws.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs.

Your Committees find that state agencies do not uniformly categorize their demographic data regarding Asians, Native Hawaiians, and other Pacific Islanders according to prevailing federal standards. These agencies also do not uniformly make their demographic data accessible to the public. For these reasons, entities like the Office of Hawaiian Affairs that work to address health, social, economic, and other needs of specific communities are often unable to gather sufficient data to identify and address the needs of these communities and to develop programs that can bring about meaningful systemic change.

Your Committees have amended this measure by:

- (1) Clarifying that the collected data requested to be made available to the public is race and ethnicity data;
- (2) Amending the title accordingly; and
- (3) Amending the stated approximate percentage of the State's population represented by Asian Americans, native Hawaiians, and other Pacific Islanders from 48.6 percent to 70 percent, for accuracy.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs 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. 79, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 79, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Baker, Hee, Slom, Solomon).

SCRep. 3364 Water, Land, and Housing on Gov. Msg. Nos. 589, 590, 591, 592, 600, and 603.

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

G.M. No. 589 SHIRLEY SWINNEY, for a term to expire 6-30-2014 (term amended to 6-30-2015 by GM604);

G.M. No. 590 ALICIA MALUAFITI, for a term to expire 6-30-2014;

G.M. No. 591 RYAN MUKAI, for a term to expire 6-30-2015;

G.M. No. 592 MILES KAMIMURA, for a term to expire 6-30-2014;

G.M. No. 600 AMY LUERSEN, for a term to expire 6-30-2015; and

G.M. No. 603 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 Shirley Swinney, Alicia Maluafiti, Ryan Mukai, Miles Kamimura, Amy Luersen, and Maile Meyer to possess the requisite qualifications to be nominated to the Hawaii Community Development Authority ("Authority").

Your Committee received testimony in support of the nomination of Shirley Swinney from the Hawaii Community Development Authority, University of Hawaii, Special Olympics Hawaii, and three individuals.

Ms. Swinney is a retired Circuit and District Court Clerk and has worked at First Hawaiian Bank. She has been actively involved with community development, homestead issues, Hawaiian culture, sustainability, economic development, and the Special Olympics, and has been an interim member of the Authority since August 2011. Her background and perspective in homestead and native Hawaiian issues will continue to provide a valuable perspective to the Authority.

Your Committee received testimony in support of the nomination of Alicia Maluafiti from the Hawaii Community Development Authority, Mayor Peter Carlisle, City and County of Honolulu Department of Community Services, Councilmember Nestor Garcia, Kahoomiki, Malama Learning Center, Hawaii Cattlemen's Council, Pacific Resource Partnership, Property Profiles, Molokai Chamber of Commerce, Honolulu Board of Realtors, Pat Lee & Associates, Monsanto Company, HUNT Companies, Hawaii Venture Capital Association, Robertson Properties Group, and twenty-three individuals. Your Committee received testimony in opposition to the nomination of Alicia Maluafiti from twenty-seven individuals. One individual submitted comments on the nomination of Alicia Maluafiti.

Ms. Maluafiti is currently the owner of Loihi Communications and has been a West Oahu resident for the past fifteen years. Ms. Maluafiti has been an active member in the community volunteering her time with nonprofit organizations, associations, and businesses with government relations, business plan development, fundraising, event marketing, community building, communication, and outreach and education. Her experience in and extensive participation and advocacy for community governance will benefit the Authority.

Your Committee received testimony in support of the nomination of Ryan Mukai from the Hawaii Community Development Authority, University of Hawaii, and three individuals.

Mr. Mukai is an attorney practicing business and real estate law. Through his legal practice he has worked on various leasing and acquisition matters for clients. This has given him a comprehensive perspective on issues which affect the development of real estate projects. His experience and willingness to serve will help him to meaningfully contribute to the Authority.

Your Committee received testimony in support of the nomination of Miles Kamimura from the Hawaii Community Development Authority.

Mr. Kamimura's nomination to the Authority comes from the Honolulu City Council. Mr. Kamimura has an extensive background in property management, leasing, sales, and consulting services in the area of commercial and industrial real estate. Based on his willingness to serve and knowledge and experience of commercial real estate matters, Mr. Kamimura is well qualified to serve and will bring a critically important perspective to the Authority.

Your Committee received testimony in support of the nomination of Amy Luersen from the Hawaii Community Development Authority, Kuwalu, Koolau Foundation, Kakoo Oiwi, Koolaupoko Hawaiian Civic Club, and eight individuals.

Ms. Luersen is a land use planner and has been involved in community planning issues through membership in the Kahaluu Neighborhood Board No. 29, as a planning consultant, and as a board member for many nonprofit organizations. Her involvement in community governance and her extensive experience in community issues relating to Kahaluu, Kaneohe Bay, and the Koolaupoko District make her a well-qualified candidate to serve on the Authority. She will bring a professional planning and community governance perspective to the deliberations of the Authority.

Your Committee received testimony in support of the nomination of Maile Meyer from the Hawaii Community Development Authority and five individuals. Testimony in opposition to the nomination was received from one individual.

Ms. Meyer is the creator and owner of Native Books, Inc. She is a member of the State Commission on the Status of Women, Native Hawaiian Hospitality Association, Queen Liliuokalani Children's Center Advisory Association, Hawaii Book Publishers Association, Malama Hawaii, Daughters of Hawaii, and Hale Kuai Cooperative. With her strong background and active involvement in community organizations relating to Hawaiian culture, the arts, and economic development, Ms. Meyer will be a valued member of the Authority.

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, 4. Noes, none. Excused, 3 (Fukunaga, Ryan, Slom).

SCRep. 3365 Transportation and International Affairs on Gov. Msg. Nos. 856, 857, and 858.

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII SISTER STATE COMMITTEE

G.M. No. 856 ROMY CACHOLA, for a term to expire 6-30-2014;

G.M. No. 857 JILL CANFIELD, for a term to expire 6-30-2015; and

G.M. No. 858 JOSEPH TANAKA, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Romy Cachola, Jill Canfield, and Joseph Tanaka to possess the requisite qualifications to be nominated to the Hawaii Sister State Committee.

ROMY CACHOLA

Your Committee received testimony in support of Romy Cachola from the Department of Business, Economic Development, and Tourism.

Mr. Cachola has a strong interest in further developing Hawaii as an international global leader. He has a long and distinguished career in public service, including service in the House of Representatives and the Honolulu City Council. Mr. Cachola has also given generously of his time to serve on boards of various community organizations that have a strong focus on education, environment, and inter-governmental relations.

JILL CANFIELD

Your Committee received testimony in support of Jill Canfield from the Department of Business, Economic Development, and Tourism; Asia-Pacific Center for Security Studies; and three individuals.

Ms. Canfield has had a long and distinguished career in international relations and currently serves as the Executive Director of the Pacific and Asian Affairs Council. Ms. Canfield will bring a fresh perspective to the Hawaii Sister State Committee especially in the area of foreign affairs in the Asia-Pacific region.

Ms. Canfield has been successfully administering the United States Department of State's International Visitor Leadership program, which the Pacific and Asian Affairs Council implements in Hawaii. In addition she has worked in Beijing where she supervised Chinese and American teachers at four universities and coordinated programs for American college students. She worked for three years at the University of Denver's Center for China-U.S. Cooperation where she served as project manager and liaison for visiting scholars from many Chinese academic institutions. She has also been an Adjunct Professor teaching courses such as World Values and Culture in International Business and was also an English as a second language teacher. Ms. Canfield is a member of the Center for International Business Education and Research Advisory Council to the Shidler School of Business, which helps to create better international business curricula, program development, and research opportunities.

JOSEPH TANAKA

Your Committee received testimony in support of Joseph Tanaka from the Department of Business, Economic Development, and Tourism.

Mr. Tanaka has a long and distinguished career in public service, including as a member of the Hawaii State Senate where he chaired the Committee on Tourism and Economic Development. Mr. Tanaka also served previously on the Maui County Council, where he served as Chair of Economic Development. As a private businessman, Mr. Tanaka travelled extensively through Asia and Europe and has led business missions to countries in Asia and Europe.

Mr. Tanaka's government service includes service on the County Board of Water Supply; Hawaii Criminal Justice Committee; Mayor's Committee for the Betterment of Youth; Board of Directors, Maui Economic Opportunity; Board Of Directors, Maui Visitor's Bureau; Advisory Head, Family Community Leadership; and Board Of Directors, Maui Economic Business Development.

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, 6. Noes, none. Excused, 1 (Slom).

SCRep. 3366 Commerce and Consumer Protection on Gov. Msg. Nos. 747, 748, and 749.

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF NURSING

- G.M. No. 747 JAEDA ELVENIA, for a term to expire 6-30-2016;
- G.M. No. 748 LORAIN FLEMING, for a term to expire 6-30-2014; and
- G.M. No. 749 JAMES HOBAN, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Jaeda Elvenia, Loraine Fleming, and James Hoban, Jr., to possess the requisite qualifications to be nominated to the State Board of Nursing.

Your Committee received testimony in support of the nomination of Jaeda Elvenia from the Department of Commerce and Consumer Affairs, Hawaii Association of Professional Nurses, and one individual.

Upon review of the testimony, your Committee finds that Ms. Elvenia's experience as a registered nurse, desire to contribute to the community, and proven leadership on the State Board of Nursing qualify her for reappointment to the State Board of Nursing. Your Committee notes that the nominee has nearly three decades of experience as a registered nurse in Hawaii and currently represents Kauai as a registered nurse member on the State Board of Nursing. Ms. Elvenia also serves on the Board's Practice Committee and has represented the Board at the National Council of State Boards of Nursing meetings and conferences. Your Committee further finds that this nominee has been reappointed to the State Board of Nursing based on her knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Loraine Fleming from the Department of Commerce and Consumer Affairs and Hawaii Association of Professional Nurses.

Upon review of the testimony, your Committee finds that Ms. Fleming's experience as a registered nurse, desire to contribute to the community, and interest in serving qualify her for appointment to the State Board of Nursing. Your Committee notes that the nominee has been a psychiatric nurse for the past thirty-five years, and has worked in many different settings and in a number of different nursing roles. The nominee has leadership experience by virtue of her service on professional organizations and boards. Ms. Fleming is the President of the Hawaii Chapter of the American Psychiatric Nurses' Association and serves as an interim appointee to the State Board of Nursing. Your Committee further finds that this nominee has been appointed to the State Board of Nursing based on her knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of James Hoban, Jr. from the Department of Commerce and Consumer Affairs and Healthcare Association of Hawaii.

Upon review of the testimony, your Committee finds that Mr. Hoban's professional experience, desire to contribute to the community, and proven leadership on the State Board of Nursing qualify him for reappointment to the State Board of Nursing. Your Committee notes that the nominee currently serves as a public member on the State Board of Nursing and is the Chief Financial Officer of a licensed Medicare-certified home health care agency in Hawaii. Mr. Hoban's strong financial background, active participation within the community, and experience on the Board give him an understanding of the needs of health care professionals and the general public, and will continue to enhance the effectiveness of the Board. Your Committee further finds that this nominee has been reappointed to the State Board of Nursing based on his knowledge, experience, and commitment to public service.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Green, Solomon, Slom).

SCRep. 3367 Energy and Environment on Gov. Msg. No. 527.

Recommending that the Senate advise and consent to the nomination of the following:

ENDANGERED SPECIES RECOVERY COMMITTEE

G.M. No. 527 PATRICK JAMES HART, for a term to expire 6-30-2015,

Your Committee finds that Dr. Patrick James Hart possesses the requisite qualifications to be nominated to the Endangered Species Recovery Committee.

Your Committee received testimony in support of Dr. Patrick James Hart from the Department of Land and Natural Resources.

Upon review of the testimony, your Committee finds that this nominee's experience, professional background, and education qualify him for appointment to the Endangered Species Recovery Committee. Your Committee notes that the nominee recently completed his first four-year term as a member of the Endangered Species Recovery Committee. Dr. Hart's exceptional understanding of the issues pertaining to threatened and endangered species in Hawaii enabled him to contribute meaningfully to the Endangered Species Recovery Committee in his first four-year term. He is an expert in Hawaiian ecology with a specialized knowledge of Hawaiian birds and plants and is currently a professor of biology at the University of Hawaii at Hilo. The nominee received a Doctor of Philosophy degree in Zoology from the University of Hawaii at Manoa in 2000.

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 (Green, Slom).

SCRep. 3368 (Joint) Transportation and International Affairs and Education on S.C.R. No. 156

The purpose and intent of this measure is to urge the Governor to convene an exploratory committee to consider the establishment of an international aviation training center at the Hilo International Airport and an advanced aviation degree training program at the University of Hawaii at Hilo.

Your Committees received testimony in support of this measure from the University of Hawaii at Hilo.

Your Committees find that the State's economic development goal of encouraging an innovation-based economy relies on workforce proficiencies in science, technology, engineering, and mathematics and requires that students have broad opportunities to learn the advanced skills necessary to succeed in a more complex society. Hilo International Airport is an ideal location for a world class flight training center because it is located in one of the most ideal flight training environments in the country. The mission of the University of Hawaii at Hilo has evolved and expanded in recent years from a principally undergraduate teaching institution to one with a significant research focus on science, technology, engineering, and mathematics. An aviation program will assist in the diversification of the State's economy and provide an opportunity to gain a reputation as a world class training center servicing the Pacific Rim and beyond.

Your Committees believe that funding through public-private partnerships with known and established accredited programs such as Embry Riddle's Worldwide Aeronautical University, Federal Aviation Administration grants, and support from the business and private sectors of the local and international community, in conjunction with the State and the University of Hawaii at Hilo, offer the program the best potential for success and implementation.

Your Committees have amended this measure by:

- (1) Adding the Director of Transportation to the list of entities to receive certified copies 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 Transportation and International Affairs and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 156, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 156, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Gabbard, Kahele, Kidani, Taniguchi).

SCRep. 3369 Education on S.C.R. No. 80

The purpose and intent of this measure is to request the Department of Education to conduct research on the correlation between children who are late-born and the high school drop out rate.

Your Committee received testimony in support of this measure from the Early Learning Council and Hawaii Association for the Education of Young People. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that late-born children, defined as those born after August 1, are younger than their counterparts when entering kindergarten. There is concern over whether they are developmentally ready to enter kindergarten in comparison to their older counterparts. Your Committee finds that research is necessary to determine whether there is a correlation between being late-born and educational outcomes and the extent to which any correlation exists.

Your Committee has amended this measure by:

- (1) Broadening the scope of research to look at educational outcomes for late-born children rather than limiting the research to the high school drop out rate;

- (2) Specifying that the Department of Education's report may additionally include late-born children's access to early learning or preschool programs, ability to read at the appropriate grade level, and specifically identifying any special needs;
- (3) Requesting the Department of Education to collaborate with the Governor's Early Learning Coordinator, institutions of higher learning, and the regional educational laboratory in conducting its research;
- (4) Amending the 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 Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 80, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 80, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kidani, Taniguchi).

SCRep. 3370 Health on Gov. Msg. Nos. 673 and 674.

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. 673 DALLEN PALEKA, for a term to expire 6-30-2016; and

G.M. No. 674 JAMIE TOMITA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Dallen Paleka and Jamie Tomita 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 Dallen Paleka from the Department of Health.

Mr. Paleka has been working for the Department of Public Safety since September 1988. He has served as a Sergeant, Watch Lieutenant, and Watch Commander, and is currently the Operations Captain. He has worked closely with the substance abuse program directors and has gained much insight into issues of concern. Mr. Paleka also has experience auditing mainland prisons, which included reviewing the prison's substance abuse programs. Furthermore, Mr. Paleka has undergone hundreds of hours of corrections-related training and is well prepared to bring the corrections perspective to the commission, on which he has already served a four-year term.

Your Committee received testimony in support of the nomination of Jamie Tomita from the Department of Public Safety and Department of Health.

Ms. Tomita is a licensed pharmacist working for Longs Drugs and earned her Doctor of Pharmacy degree from Oregon State University. As a student, Ms. Tomita participated in experimental clerkships in community pharmacy, ambulatory care, internal medicine, hospital and health systems, community management, medically underserved communities, and inpatient pharmacy. Ms. Tomita was also the "face and voice" of Longs Drugs' efforts in the Hawaii Drug Take-Back Program, and in doing so, she gained familiarity with the reality of drug abuse and the negative impact it has upon the community.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, 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 (Shimabukuro, Slom).

SCRep. 3371 Health on Gov. Msg. Nos. 688, 689, 690, and 691.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF HEALTH

G.M. No. 688 ALAN KATZ, for a term to expire 6-30-2016;

G.M. No. 689 VINCENT LEE, for a term to expire 6-30-2016;

G.M. No. 690 CLARYSSE NUNOKAWA, for a term to expire 6-30-2016; and

G.M. No. 691 ERIC TASH, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Alan Katz, Vincent Lee, Clarysse Nunokawa, and Eric Tash to possess the requisite qualifications to be nominated to the Board of Health.

ALAN KATZ

Your Committee received testimony in support of the nomination of Alan Katz from the Department of Health, Hawaii Health Systems Corporation, and six individuals.

Dr. Katz received his Doctor of Medicine degree from the University of California, Irvine and a Master's degree in public health from the University of Hawaii. Dr. Katz is currently a Professor and Chair of Graduate Studies for the Department of Public Health Sciences at the John A. Burns School of Medicine, University of Hawaii. Dr. Katz has a demonstrated passion for his work and, as

evidenced by his publications, has a lengthy track record of innovative research, including extensive work with Native Hawaiians and Pacific Islanders. Furthermore, Dr. Katz is one of the few people in Hawaii that bridges the clinical and population aspects of public health. Consequently, your Committee finds that Dr. Katz's dedication, altruism, empathy, and breadth of experience in public health will allow him to make many meaningful contributions to the Board of Health.

VINCENT LEE

Your Committee received testimony in support of the nomination of Vincent Lee from the Department of Health, Office of the Governor, Healthcare Association of Hawaii, St. Francis Healthcare System of Hawaii, and three individuals.

Mr. Lee is the Oahu region Chief Executive Officer for the Hawaii Health Systems Corporation. Mr. Lee has a Master's degree in social work, a Master's degree in public health, and over twenty-five years of experience in senior health care administration. Mr. Lee's career history includes twenty years as the Vice President of St. Francis Medical Center and six years as the System Vice President of St. Francis Healthcare System of Hawaii. Two of the health care facilities over which Mr. Lee presides recently received a four- and five-star rating from the Centers for Medicare and Medicaid Services, reflecting the highest levels of quality for a nursing home facility, despite the aging infrastructure of these locations. Mr. Lee also has one year of prior experience serving on the Board of Health.

CLARYSSE NUNOKAWA

Your Committee received testimony in support of the nomination of Clarysse Nunokawa from the Department of Health.

Ms. Nunokawa is a certified social worker who received her master's degree in social work from the University of Hawaii. She is currently a Grant Manager and Compliance Coordinator for the City and County of Hawaii. Ms. Nunokawa currently manages the \$2 million Strategic Prevention Framework State Incentive Grant to prevent underage drinking, for which she coordinates community efforts. Ms. Nunokawa's experiences have given her useful knowledge of the health needs and challenges in rural and urban communities. Furthermore, she has served on the Board of Health since 2008 and has ensured that the County of Hawaii is represented well.

ERIC TASH

Your Committee received testimony in support of the nomination of Eric Tash from the Department of Health, Injury Prevention Advisory Committee, and two individuals.

Mr. Tash is currently retired, but has continued to work with the Department of Health as a member of the Injury Prevention Advisory Committee and the Steering Committee. Mr. Tash received his Master's degree in public health from the University of Hawaii. Prior to retirement, Mr. Tash was the Program Manager for the Department of Health's Injury Prevention and Control Program for sixteen years. Mr. Tash has a total of thirty-five years of experience in public health planning, policy development, implementation, and management and has worked in fields as diverse as communicable disease education, HIV counseling, health survey data collection, physical fitness, and injury prevention. Mr. Tash has also served on the Board of Health for a year-long interim appointment.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Slom).

SCRep. 3372 Economic Development and Technology on Gov. Msg. Nos. 724, 725, 726, 806, and 807.

Recommending that the Senate advise and consent to the nominations of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

- G.M. No. 724 KAMAKANA OKEALOHA AQUINO, for a term to expire 6-30-2015;
- G.M. No. 725 ELMER KA'AI, JR., for a term to expire 6-30-2013;
- G.M. No. 726 MARILYN KHAN, for a term to expire 6-30-2015;
- G.M. No. 806 DARYL FUJIWARA, for a term to expire 6-30-2015; and
- G.M. No. 807 BEVERLY LEE, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Kamakanaoakealoha Aquino, Elmer Ka'ai, Jr., Marilyn Khan, Daryl Fujiwara, and Beverly Lee to possess the requisite qualifications to be nominated to the King Kamehameha Celebration Commission.

Your Committee received testimony in support of the nomination of Kamakanaoakealoha Aquino from the Department of Accounting and General Services, King Kamehameha Celebration Commission, Queen Lili'uokalani Children's Center, Waimanalo Hawaiian Homes Association, and five individuals.

Kamakanaoakealoha Aquino is currently pursuing a Master of Education degree in Education Administration at the College of Education, University of Hawai'i at Manoa, and holds a Bachelor of Arts in Hawaiian Studies from the University. He has been actively involved in the College Opportunities Program and served numerous roles in Associated Students of the University of Hawaii organization, as well as being an active member of the Waimanalo Hawaiian Homes Association. His grandmother, Lucy Akau, previously served on the King Kamehameha Celebration Commission. Mr. Aquino represents the Waimanalo Hawaiian Homes Association on the Commission.

Your Committee received testimony in support of the nomination of Elmer Ka'ai, Jr., from the Department of Accounting and General Services, King Kamehameha Celebration Commission, Queen Lili'uokalani Children's Center, O'ahu Council Association of Hawaiian Civic Clubs, Royal Order of Kamehameha I, Net Enterprise, and sixteen individuals.

Elmer Ka'ai, Jr., is the Government Relations Manager at the University of Hawaii at Manoa. He has over twenty years of experience in public service, including eighteen years at the Department of Hawaiian Home Lands, and over ten years in the private sector. He is active in numerous community organizations, serving on boards of various Hawaiian organizations, the McCully-Mo'ili'ili Neighborhood Board, as Past President for the Hula Preservation Society, and as past Membership Chair and Director for the Native Hawaiian Chamber of Commerce. Mr. Ka'ai represents the Royal Order of Kamehameha I on the Commission.

Your Committee received testimony in support of the nomination of Marilyn Khan from the Department of Accounting and General Services, Department of Agriculture, King Kamehameha Celebration Commission, Association of Hawaiian Civic Clubs, O'ahu Council Association of Hawaiian Civic Clubs, Hawaii District Council Association of Hawaiian Civic Clubs, Hale O Na Ali'i O Hawaii, and thirteen individuals.

Marilyn Khan is a retired United States Air Force civilian employee with forty-four years of service. During her career, she held many leadership positions and is a past president of the Federal Women's Council, Hawaii, and the Aloha Chapter of Federally Employed Women. She is active in a wide range of community organizations, and as a kumu hula, she represented the State of Hawaii as one of two dozen kumu hula to the Pacific Festival of the Arts in Tahiti. Ms. Khan represents Hale O Na Ali'i O Hawai'i 'Ahahui Po'o on the Commission.

Your Committee received testimony in support of the nomination of Daryl Fujiwara from the Department of Accounting and General Services, King Kamehameha Celebration Commission, O'ahu Council Association of Hawaiian Civic Clubs, Hope Po'okumu, and two individuals.

Daryl Fujiwara is the Owner and Principal Designer of Smythe Fujiwara Design, a graphic design company he founded in 2004 on the island of Maui. His clients include the County of Maui, the Maui County Film Office, Maui Humane Society, and private businesses. He is active in numerous community and civic organizations, including serving as Vice President of the Lahaina Hawaiian Civic Club, as Event Coordinator for Na Kamehameha Commemorative Pa'u Parade and Ho'olaule'a, and as a member of Halau Hula Ka Malama Mahilani. Mr. Fujiwara represents the island of Maui on the Commission.

Your Committee received testimony in support of the nomination of Beverly Lee from the Department of Accounting and General Services, King Kamehameha Celebration Commission, Office of Hawaiian Affairs, Kapahulu Music Club, and five individuals.

Beverly Lee is currently an Administrative Assistant at Central Pacific Bank. Prior to her service as an Administrative Assistant, she was employed by Hawaiian Telcom and GTE Hawaiian Tel for thirty-three years in various capacities but most recently as a Business Sales Support Representative, where she was responsible for managing accounts and projects, including training for major corporate accounts in Hawaii. She has been involved with the King Kamehameha Celebration Commission since 1994, first as a Pa'u Island Princess, volunteer assistant to the Pa'u Chairperson, and since 2010 has served as the Pa'u Chairperson. Ms. Lee represents the Kapahulu Music Club on the Commission.

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

SCRep. 3373 Economic Development and Technology on Gov. Msg. Nos. 808, 809, and 810.

Recommending that the Senate advise and consent to the nominations of the following:

STADIUM AUTHORITY

- G.M. No. 808 ODETTA FUJIMORI, for a term to expire 6-30-2016;
- G.M. No. 809 EDWARD HASEGAWA, for a term to expire 6-30-2016; and
- G.M. No. 810 SCOT LONG, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Odetta Fujimori, Edward Hasegawa, and Scot Long to possess the requisite qualifications to be nominated to the Stadium Authority.

Your Committee received testimony in support of the nomination of Odetta Fujimori from the Department of Accounting and General Services, Aloha Stadium, ILWU Local 142, and ten individuals. Your Committee received comments from the Windward Ahupua'a Alliance.

Odetta Fujimori is a retired educator, serving for thirty-one years as a classroom and special education teacher, a diagnostic-prescriptive teacher on a special services team, and as one of two vocational education planners for special education at the Department of Education's Vocational Planning Center. Ms. Fujimori is a graduate of the University of Hawaii, with a Bachelor of Education and Special Education Certification. She is active in a wide range of professional, nonprofit, and community organizations and has served as a board member of the Hawaii State Teachers Association, National Education Association, Employees' Retirement System, Hawaii Labor Heritage Council, and the Honolulu Marathon-Nike Fun Run for Honolulu District, among others. Ms. Fujimori is a new appointment to the Stadium Authority.

Your Committee received testimony in support of the nomination of Edward Hasegawa from the Department of Accounting and General Services, Aloha Stadium, and four individuals. Your Committee received comments from the Windward Ahupua'a Alliance.

Edward Hasegawa has held numerous teaching, guidance counseling, and administrative positions within the Department of Education and has served as Principal of Moanalua High School and Pahoehoe High School. He has also served as Executive Secretary of the Neighborhood Commission for the City and County of Honolulu. Mr. Hasegawa is a graduate of the University of Hawaii with a Bachelor of Education, 5th Year Certificate and a Master of Education degree in Educational Administration. He is active in the Jaycees at the state and national level and has served as a director for Big Brothers Big Sisters and the Multiple Sclerosis Society – Hawaii, as well as Co-Founder of Hawaii Youth at Risk. Mr. Hasegawa is a reappointment to the Stadium Authority.

Your Committee received testimony in support of the nomination of Scot Long from the Department of Accounting and General Services, Department of Labor and Industrial Relations, Aloha Stadium, ILWU Local 142, Hawaii State AFL-CIO, Hawaiian Telecom, Grove Farm, and three individuals. Your Committee received comments from the Windward Ahupua'a Alliance.

Scot Long is the Business Manager/Financial Secretary of the International Brotherhood of Electrical Workers (IBEW), Local Union 1357, which represents approximately 800 hourly employees of Hawaiian Telcom in Hawaii and IT&E in the Commonwealth of the Northern Mariana Islands. He joined Hawaiian Telcom in 1983 and has a diverse range of telecommunication experience. As a business agent for IBEW Local Union 1357 for five years and as its principal officer for the past eight years, he has negotiated nine collective bargaining agreements. Mr. Long attended the University of Washington and Kapiolani Community College. He currently serves as a member of the Sheraton Hawaii Bowl Executive Committee and as President of Kaiser High School Athletic Association. Mr. Long is a new appointment to the Stadium Authority.

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

SCRep. 3374 Economic Development and Technology on Gov. Msg. No. 540.

Recommending that the Senate advise and consent to the nomination of the following:

OFFICE OF INFORMATION MANAGEMENT AND TECHNOLOGY

G.M. No. 540 SANJEEV BHAGOWALIA, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Sanjeev Bhagowalia to possess the requisite qualifications to be nominated as the Chief Information Officer, Office of Information Management and Technology.

Your Committee received testimony in support of the nomination of Sanjeev Bhagowalia from Department of Accounting and General Services; Department of Agriculture; Department of Budget and Finance; Department of Business, Economic Development, and Tourism; Department of Defense; Department of Education; Department of Human Resources Development; Department of Labor and Industrial Relations; Department of Taxation; Department of Transportation; City and County of Honolulu Department of Information Technology; Hawaii Community Foundation; and six individuals.

Sanjeev Bhagowalia began serving as the State's Chief Information Officer on July 6, 2011, and is responsible for working in collaboration with all state agencies to transform information technology and information resource management to meet the needs of the State and citizens of Hawaii. Prior to this position, Mr. Bhagowalia served as the Deputy Associate Administrator, Office of Citizen Services and Innovative Technologies, United States General Services Administration, and led the agency's efforts in implementing e-Government ("e-Gov") and Open-Government ("Open-Gov") programs in an agile, secure, and reliable manner. He has also served as Chief Information Officer of the United States Department of the Interior and the Bureau of Indian Affairs, as a member of the Federal Chief Information Officer Council Executive Committee, and an Information Technology Program Management Executive with the Federal Bureau of Investigation.

Mr. Bhagowalia has fourteen years of experience in private sector businesses, including The Boeing Company. He holds a Master of Science degree in Information Resource Management from Syracuse University and Master of Science and Bachelor of Science degrees in Electrical Engineering from Louisiana State University, and is also a Distinguished Graduate from the National Defense University. Mr. Bhagowalia has received numerous government and industry awards, including the Presidential Rank Award for Meritorious Executive Service, NASA Award of Merit, and two Federal 100 Awards, and was named by Information Week as one of the top 50 CIO Leaders in the Federal, State, and Local Government.

Mr. Bhagowalia has outlined his objectives and the initiatives necessary to transform the State's technology infrastructure through a vision for the future, leadership, a collaborative approach, and business process reengineering to help state agencies transform the way government delivers programs and services more efficiently.

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

SCRep. 3375 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 61

The purpose and intent of this measure is to encourage single-family residence builders and the counties to consider certain factors that will facilitate installation of photovoltaic systems during the construction and development of single-family residences.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; and Building Industry Association – Hawaii.

Your Committee finds that a policy mandating the incorporation of design elements to make structures photovoltaic-ready at the time of initial construction could ultimately result in relatively little cost savings depending upon the choices of developers and consumers. In addition, technology advancement could ultimately render obsolete a policy mandating the incorporation of design elements to make structures photovoltaic-ready at the time of initial construction.

In lieu of a mandate, your Committee believes that it is important to encourage builders of single-family residences in Hawaii to adopt, whenever practical, design features that would help facilitate the installation of photovoltaic systems on the rooftops of new homes. As the cost of photovoltaic systems decreases, the installation of residential photovoltaic systems may become cost effective and offer new home buyers a practical way of tapping into a clean energy source, thereby reducing the State's reliance on imported oil.

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. 61, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ryan, Slom).

SCRep. 3376 (Joint) Public Safety, Government Operations, and Military Affairs and Transportation and International Affairs on S.R. No. 76

The purpose and intent of this measure is to urge the Honolulu Authority for Rapid Transportation to determine cost-effective and revenue-generating ridership levels for the rail transit system.

Your Committees received comments on this measure from the Honolulu Authority for Rapid Transportation and one individual.

Your Committees find that more definitive information on the number of riders per day is needed to enable a determination of the cost-effectiveness and revenue-generation potential of Honolulu's rail transit project. Much information exists regarding the planning, construction, location, and financing of the rail transit system; however, a very limited amount of information exists regarding the sustainability of the project beyond its completion particularly with regard to maintenance costs.

Your Committees have amended this measure by amending the findings language to describe the issue of urban sprawl and the need to develop denser suburban communities with viable transportation options to alleviate traffic and other concerns.

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 concur with the intent and purpose of S.R. No. 76, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 76, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Dela Cruz, Gabbard, Ryan, Slom).

SCRep. 3377 (Joint) Public Safety, Government Operations, and Military Affairs and Transportation and International Affairs on S.C.R. No. 140

The purpose and intent of this measure is to urge the Honolulu Authority for Rapid Transportation to determine cost-effective and revenue-generating ridership levels for the rail transit system.

Your Committees received comments on this measure from the Honolulu Authority for Rapid Transportation and one individual.

Your Committees find that more definitive information on the number of riders per day is needed to enable a determination of the cost-effectiveness and revenue-generation potential of Honolulu's rail transit project. Much information exists regarding the planning, construction, location, and financing of the rail transit system; however, a very limited amount of information exists regarding the sustainability of the project beyond its completion particularly with regard to maintenance costs.

Your Committees have amended this measure by amending the findings language to describe the issue of urban sprawl and the need to develop denser suburban communities with viable transportation options to alleviate traffic and other concerns.

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 concur with the intent and purpose of S.C.R. No. 140, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 140, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Dela Cruz, Gabbard, Ryan, Slom).

SCRep. 3378 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs and Transportation and International Affairs on S.R. No. 103

The purpose and intent of this measure is to urge the Office of Planning to coordinate with all state agencies that hold title to or leases of land along the elevated rapid transit line route to develop a community development plan for communities along the route.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review and comment. The proposed S.D. 1:

- (1) Amended the title by replacing the reference to an elevated rapid transit line with a reference to the transit route;

- (2) Amended the findings language to list specific buildings and areas that are along the rapid transit line route;
- (3) Requested that the State use the information provided by the community development plan to be used to update state plans and to focus density in appropriate areas to preserve agricultural and conservation lands and prevent urban sprawl; and
- (4) Made technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees received testimony in support of the proposed S.D. 1 from the Office of Planning. The City and County of Honolulu Department of Planning and Permitting submitted comments.

Your Committees find that the City and County of Honolulu has prepared transit-oriented development plans for the communities of East Kapolei, Waipahu, Pearl City, and Aiea and are continuing to engage key stakeholders regarding plans for the communities of Kalihi and Downtown Honolulu. Accordingly, your Committees note that their intent is not to duplicate the efforts of the City and County of Honolulu but rather to enhance and assist in the development of plans that are thorough and effective.

Your Committees have amended this measure by adopting the proposed S.D. 1.

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 and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 103, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 103, S.D. 1.

Signed by the Chairs and Vice Chair on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 4 (Fukunaga, Gabbard, Solomon, Slom).

SCRep. 3379 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs and Transportation and International Affairs on S.C.R. No. 173

The purpose and intent of this measure is to urge the Office of Planning to coordinate with all state agencies that hold title to or leases of land along the elevated rapid transit line route to develop a community development plan for communities along the route.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review and comment. The proposed S.D. 1:

- (1) Amended the title by replacing the reference to an elevated rapid transit line with a reference to the transit route;
- (2) Amended the findings language to list specific buildings and areas that are along the rapid transit line route;
- (3) Requested that the State use the information provided by the community development plan to be used to update state plans and to focus density in appropriate areas to preserve agricultural and conservation lands and prevent urban sprawl; and
- (4) Made technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees received testimony in support of the proposed S.D. 1 from the Office of Planning. The City and County of Honolulu Department of Planning and Permitting submitted comments.

Your Committees find that the City and County of Honolulu has prepared transit-oriented development plans for the communities of East Kapolei, Waipahu, Pearl City, and Aiea and are continuing to engage key stakeholders regarding plans for the communities of Kalihi and Downtown Honolulu. Accordingly, your Committees note that their intent is not to duplicate the efforts of the City and County of Honolulu but rather to enhance and assist in the development of plans that are thorough and effective.

Your Committees have amended this measure by adopting the proposed S.D. 1.

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 and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 173, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 173, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 4 (Fukunaga, Gabbard, Slom, Solomon).

SCRep. 3380 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs and Human Services on S.C.R. No. 111

The purpose and intent of this measure is to encourage the preservation and creation of affordable housing, family-oriented support services, health centers, community centers, retail services related to healthy living, and community gardens within transit-oriented development zones along the Honolulu Rail Transit Project corridor.

Your Committees received testimony in support of this measure from the City and County of Honolulu Department of Planning and Permitting, Windward Ahupua'a Alliance, and two individuals.

Your Committees find that it is important now more than ever in Hawaii to provide affordable housing to promote communities that strengthen family core values. It is specifically critical to ensure that appropriate attention is given to individuals and families in communities that will be directly affected by significantly increased activity due to the construction of the Honolulu Rail Transit Project. Creating a community infrastructure that allows for ease of accessibility to health and community centers, retail stores, and government services will help alleviate burdens caused by this transition.

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 Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 111, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 111, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Fukunaga, Slom, Tokuda).

SCRep. 3381 (Majority) Commerce and Consumer Protection on Gov. Msg. No. 828.

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII HEALTH CONNECTOR

G.M. No. 828 HARDY SPOEHR, for a term to expire 6-30-2015,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Hardy Spoehr to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Health Connector.

Your Committee received testimony in support of the nomination of Hardy Spoehr from the Office of Hawaiian Affairs, Ke Ola Mamo, and one individual.

Upon review of the testimony, your Committee finds that Mr. Spoehr's ties to the Native Hawaiian community, dedication to public service, and proven leadership abilities qualify him for appointment to the Board of Directors of the Hawaii Health Connector. Your Committee notes that Mr. Spoehr has been the Executive Director for Papa Ola Lokahi, the Native Hawaiian Health Board, for almost two decades, and is dedicated to improving the health and well-being of Native Hawaiians. As Executive Director, Mr. Spoehr has partnered with numerous institutions to improve access to medical and preventative care, expanded the ranks of Native Hawaiian health professionals, encouraged Hawaii's Congressional representatives to continue supporting the Native Hawaiian Health Care Improvement Act, and supported the use of Native Hawaiian traditional healing practices.

Your Committee further finds that Mr. Spoehr has a thorough understanding of the role and responsibilities of the Board of Directors of the Hawaii Health Connector, views the Connector's role as the next step for health care in the State, and believes the work of the Connector will be critical for everyone in Hawaii. As a member representing a Native Hawaiian organization and consumer interests, Mr. Spoehr will bring a culturally sensitive perspective to the Board of Directors, and his ties to the Native Hawaiian community will ensure that vital information reaches members of the Native Hawaiian community who will benefit from the Hawaii Health Insurance Exchange.

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. 3382 (Joint) Agriculture and Economic Development and Technology on S.C.R. No. 91

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism to establish a working group to discuss and make recommendation regarding labeling requirements for Hawaii-grown tea.

Your Committees received testimony in support of this measure from the Department of Agriculture, University of Hawaii'i at Manoa, and two individuals.

Your Committees find that the global tea market is a multi-billion dollar industry. As the world tea market is anticipated to expand, the tea industry in Hawaii should be encouraged to develop and grow to help increase employment and revenue in the State. In addition, it is important to ensure that Hawaii-grown tea is properly identified and protected by strict labeling requirements.

Your Committees further finds that the University of Hawaii Shidler College of Business and College of Tropical Agriculture and Human Resources recently issued a report entitled "Hawaii-Grown Tea: A Market Feasibility Study", which documents the strong potential of Hawaii-grown tea and makes a recommendation that would enable Hawaii to achieve its full potential for this new crop. As such, your Committees recognize the need to begin discussions on how to best develop and market Hawaii's tea industry.

Your Committees have amended this measure by:

- (1) Broadening the scope of the working group to request that the working group discuss the creation of a strategic plan for the development and marketing of Hawaii's tea industry, including any necessary legislation;
- (2) Requesting that the University of Hawaii College of Tropical Agriculture and Human Resources, rather than the Department of Business, Economic Development, and Tourism, establish the working group;
- (3) Amending the title to reflect the broader scope of the working group; 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. 91, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 91, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Kouchi, Slom, Solomon, Tokuda).

SCRep. 3383 (Joint) Agriculture and Economic Development and Technology on S.R. No. 42

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism to establish a working group to discuss and make recommendation regarding labeling requirements for Hawaii-grown tea.

Your Committees received testimony in support of this measure from the Department of Agriculture, University of Hawai'i at Manoa, and two individuals.

Your Committees find that the global tea market is a multi-billion dollar industry. As the world tea market is anticipated to expand, the tea industry in Hawaii should be encouraged to develop and grow to help increase employment and revenue in the State. In addition, it is important to ensure that Hawaii-grown tea is properly identified and protected by strict labeling requirements.

Your Committees further finds that the University of Hawaii Shidler College of Business and College of Tropical Agriculture and Human Resources recently issued a report entitled "Hawaii-Grown Tea: A Market Feasibility Study", which documents the strong potential of Hawaii-grown tea and makes a recommendation that would enable Hawaii to achieve its full potential for this new crop. As such, your Committees recognize the need to begin discussions on how to best develop and market Hawaii's tea industry.

Your Committees have amended this measure by:

- (1) Broadening the scope of the working group to request that the working group discuss the creation of a strategic plan for the development and marketing of Hawaii's tea industry, including any necessary legislation;
- (2) Requesting that the University of Hawaii College of Tropical Agriculture and Human Resources, rather than the Department of Business, Economic Development, and Tourism, establish the working group;
- (3) Amending the title to reflect the broader scope of the working group; 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. 42, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 42, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Kouchi, Slom, Solomon, Tokuda).

SCRep. 3384 Commerce and Consumer Protection on S.C.R. No. 90

The purpose and intent of this measure is to request the Insurance Commissioner to form a working group to study ways to increase competition in Hawaii's health insurance market.

Prior to the hearing on this measure, your Committee made available for public review and comment, a proposed S.D. 1 of this measure. The proposed S.D. 1 deleted the contents of the measure and inserted language that requested the Legislative Reference Bureau to update their 2003 report analyzing the major problems still facing commercial and other land lessees.

Your Committee received testimony in support of the proposed S.D. 1 from the Citizens for Fair Evaluation; McCully Works, Inc.; Chika Nakano Repair Shop; Central Park Community Association, Halawa Valley; and twenty-five individuals. Your Committee received testimony in opposition to the proposed S.D. 1 from the Small Landowners Association. Your Committee received comments on the proposed S.D. 1 from the Legislative Reference Bureau.

Your Committee finds that issues surrounding leasehold tenure and its effect on commercial property in the State date back many years. In 2003, the Legislative Reference Bureau was requested to study the major problems facing commercial lessees in the State. The Legislative Reference Bureau's report noted several general observations about commercial lessees in the State. The report also referenced constitutional concerns that had to be addressed before existing contractual obligations, such as lease agreements, could be amended. Your Committee understands that before the Legislature may pass legislation potentially altering existing lease agreements, certain criteria must be met, including whether the legislation was designed to promote a significant and legitimate public purpose. Your Committee notes that the Legislative Reference Bureau's report incorporated an economic analysis relating to commercial leases, but nearly ten years have passed since the report was submitted.

Your Committee further finds that a current economic analysis would be helpful to determine if there is a nexus between the existence of high lease rents in Hawaii and the stagnation of Hawaii's economy. If such a nexus is established, this could provide a basis for the Legislature to consider future legislation that may affect commercial leaseholds, while also promoting a significant and legitimate public purpose such as the State's sustained economic growth. Your Committee concludes that amendments to the proposed S.D. 1 of this measure are necessary to narrow its scope and clarify that only commercial leases will be analyzed.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Clarifying that the Legislative Reference Bureau is requested to update their 2003 report analyzing the major problems faced by commercial lessees by incorporating an economic analysis to determine if there is a nexus between the existence of high lease rents in Hawaii and the stagnation of Hawaii's economy;
- (2) Clarifying that the Research and Economic Analysis Division of the Department of Business, Economic Development, and Tourism and the Economic Research Organization at the University of Hawaii at Manoa, rather than the Legislative Reference Bureau through consultation with the Governor's office, Attorney General, and others, are requested to conduct the economic analysis;

- (3) Requesting the Research and Economic Analysis Division of the Department of Business, Economic Development, and Tourism and the Economic Research Organization at the University of Hawaii at Manoa to transmit a draft report of the economic analysis, including any proposed legislation, to the Legislative Reference Bureau no later than November 1, 2012;
- (4) Clarifying that the Legislative Reference Bureau is requested to submit a final report of the economic analysis, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013;
- (5) Amending the title and other findings for accuracy; 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 concurs with the intent and purpose of S.C.R. No. 90, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 90, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Galuteria, Slom).

SCRep. 3385 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.R. No. 18

The purpose and intent of this measure is to promote the conservation of water by encouraging state and county agencies and other large water users to adopt the Landscape Industry Council of Hawaii's Irrigation Water Conservation Best Management Practices for outdoor landscape use.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and Irrigation Hawaii Limited.

Your Committees find that water is one of our most valuable resources and that it is therefore important to actively promote practical water conservation and efficiency measures. Landscaping in government, resort, commercial, institutional, residential, recreational, and other settings consume a substantial amount of water. This measure promotes practices that will protect our water supply.

Your Committees have amended this measure by:

- (1) Amending its title; and
- (2) Making other 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.R. No. 18, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 18, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Slom, Tokuda).

SCRep. 3386 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.C.R. No. 68

The purpose and intent of this measure is to urge the Department of Land and Natural Resources to review, make recommendations, and submit a report to the Legislature to strengthen state boating laws and related administrative rules.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review and comment. The proposed S.D. 1 replaced the contents of the measure by:

- (1) Amending the title to "ENCOURAGING STATE AND COUNTY AGENCIES AND OTHER LARGE WATER USERS TO UTILIZE BEST MANAGEMENT PRACTICES IN LANDSCAPE IRRIGATION TO CONSERVE OUTDOOR WATER USE AND TO ADOPT THE LANDSCAPE INDUSTRY COUNCIL OF HAWAII'S IRRIGATION WATER CONSERVATION BEST MANAGEMENT PRACTICES";
- (2) Replacing the findings language with language regarding:
 - (a) The state of Hawaii's landscape industry;
 - (b) Background information on the Landscape Industry Council of Hawaii (LICH); and
 - (c) Best management practices for irrigation water conservation for new installations or major renovations and maintenance of existing installations;
- (3) Requesting that state and county agencies and other large water users utilize best management practices to conserve outdoor water usage and to improve the efficiency of all existing and new landscape irrigation installations;
- (4) Requesting LICH to continue its water conservation efforts; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Land and Natural Resources and Irrigation Hawaii Limited.

Your Committees find that water is one of our most valuable resources and that it is therefore important to actively promote practical water conservation and efficiency measures. Landscaping in government, resort, commercial, institutional, residential,

recreational, and other settings consume a substantial amount of water. This measure promotes practices that will protect our water supply.

Your Committees have amended the measure by adopting the proposed S.D. 1.

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. 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 (Fukunaga, Slom, Tokuda).

SCRep. 3387 Economic Development and Technology on S.R. No. 53

The purpose and intent of this measure is to honor President Grover Cleveland in recognition of his efforts to preserve the Kingdom of Hawaii by requesting the:

- (1) State of Hawaii, City and County of Honolulu, County of Maui, County of Kauai, and County of Hawaii to name a state or county property, respectively, in his name; and
- (2) State Foundation on Culture and the Arts to purchase, or partner with another entity to create or obtain a work of art, whether visual or literary, in his name.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts and the Association of Hawaiian Civic Clubs.

Your Committee finds that this measure would provide a proper context for a long overdue memorial for President Grover Cleveland, whose role in Hawaii's history has been too often overlooked. As such, it would be a tangible commemoration of President Cleveland's just treatment toward the Hawaiian Kingdom, and the respectful courtesies he and his wife provided to Queen Lili'uokalani when the Queen was in Washington, D.C.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 53, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Solomon, Slom).

SCRep. 3388 Economic Development and Technology on S.C.R. No. 109

The purpose and intent of this measure is to honor President Grover Cleveland in recognition of his efforts to preserve the Kingdom of Hawaii by requesting the:

- (1) State of Hawaii, City and County of Honolulu, County of Maui, County of Kauai, and County of Hawaii to name a state or county property, respectively, in his name; and
- (2) State Foundation on Culture and the Arts to purchase, or partner with another entity to create or obtain a work of art, whether visual or literary, in his name.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts and the Association of Hawaiian Civic Clubs.

Your Committee finds that this measure would provide a proper context for a long overdue memorial for President Grover Cleveland, whose role in Hawaii's history has been too often overlooked. As such, it would be a tangible commemoration of President Cleveland's just treatment toward the Hawaiian Kingdom, and the respectful courtesies he and his wife provided to Queen Lili'uokalani when the Queen was in Washington, D.C.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 109, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Solomon, Slom).

SCRep. 3389 Ways and Means on S.R. No. 97

The purpose and intent of this measure is to address the unfunded liability of the Hawaii Employees' Retirement System.

Specifically, this measure requests the Department of Human Resources Development to convene a task force to examine management policies regarding the use of overtime by state and county employees.

Your Committee finds that a small number of excessive overtime cases can significantly increase the costs of the Employees' Retirement System. Your Committee further finds that overtime is authorized by supervisors, and thus management of employees' time and work attendance is a critical factor in the determination of overtime.

Your Committee has amended this measure by:

- (1) Clarifying the appointing authority for certain task force members; and
- (2) Making a technical nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 97, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 97, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3390 Ways and Means on S.C.R. No. 167

The purpose and intent of this measure is to address the unfunded liability of the Hawaii Employees' Retirement System.

Specifically, this measure requests the Department of Human Resources Development to convene a task force to examine management policies regarding the use of overtime by state and county employees.

Your Committee finds that a small number of excessive overtime cases can significantly increase the costs of the Employees' Retirement System. Your Committee further finds that overtime is authorized by supervisors, and thus management of employees' time and work attendance is a critical factor in the determination of overtime.

Your Committee has amended this measure by:

- (1) Clarifying the appointing authority for certain task force members; and
- (2) Making a technical nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 167, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 167, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3391 Ways and Means on S.R. No. 14

The purpose and intent of this measure is to expand the purpose and use of the Hawaii Convention Center facility.

Specifically, the measure requests the Hawaii Tourism Authority to:

- (1) Study the feasibility of developing a hotel, training hotel, or other commercial retail facility above the Hawaii Convention Center facility;
- (2) Undertake the feasibility study in conjunction with a baseline study of the current operations of the Hawaii Convention Center to more accurately determine the impact that the development of a hotel, training hotel, or other commercial retail facility may have on the Hawaii Convention Center; and
- (3) Report the findings and results of the feasibility study, including any recommendations requiring legislative approval, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

Your Committee received written comments in support of this measure from the Hawaii Tourism Authority.

Your Committee finds that it is vitally important that the State continue to invest in the Hawaii Convention Center so that it may fulfill its intended purpose. Expanded usage of the Hawaii Convention Center facilities would also help to stimulate and diversify the State's economy.

Your Committee has amended this measure by:

- (1) Clarifying that a certified copy of the Resolution is to be transmitted to the President and Chief Executive Officer of the Hawaii Tourism Authority; and
- (2) Providing that a certified copy of the Resolution is to be transmitted to the Chairperson of the Board of Directors of the Hawaii Tourism Authority.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 14, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 14, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3392 Ways and Means on S.C.R. No. 35

The purpose and intent of this measure is to expand the purpose and use of the Hawaii Convention Center facility.

Specifically, the measure requests the Hawaii Tourism Authority to:

- (1) Study the feasibility of developing a hotel, training hotel, or other commercial retail facility above the Hawaii Convention Center facility;
- (2) Undertake the feasibility study in conjunction with a baseline study of the current operations of the Hawaii Convention Center to more accurately determine the impact that the development of a hotel, training hotel, or other commercial retail facility may have on the Hawaii Convention Center; and

- (3) Report the findings and results of the feasibility study, including any recommendations requiring legislative approval, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

Your Committee received written comments in support of this measure from the Hawaii Tourism Authority.

Your Committee finds that it is vitally important that the State continue to invest in the Hawaii Convention Center so that it may fulfill its intended purpose. Expanded usage of the Hawaii Convention Center facilities would also help to stimulate and diversify the State's economy.

Your Committee has amended this measure by:

- (1) Clarifying that a certified copy of the Concurrent Resolution is to be transmitted to the President and Chief Executive Officer of the Hawaii Tourism Authority; and
- (2) Providing that a certified copy of the Concurrent Resolution is to be transmitted to the Chairperson of the Board of Directors of the Hawaii Tourism Authority.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 35, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 35, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3393 Ways and Means on S.C.R. No. 40

The purpose and intent of this measure is to address problems that have arisen in the process of government procurement of goods and services from nonprofit organizations in Hawaii.

Written comments in support of this measure were submitted by Goodwill Industries of Hawaii, Inc., and Hawaii Alliance of Nonprofit Organizations.

Written comments on this measure were submitted by the State Procurement Office.

Your Committee finds that the Prompt Payment Task Force has identified multiple areas in the process of procuring goods and services from nonprofit organizations that are in need of improvement, particularly with regard to human services organizations. Accordingly, your Committee believes that the task force should continue its analysis, with particular emphasis on:

- (1) Examining procurement issues from the initial contracting phases through service delivery, with particular focus on invoicing and payment issues;
- (2) Identifying processes among contracting parties and the State Procurement Office that may be simplified or standardized; and
- (3) Developing the scope of a pilot project to demonstrate the effective use of a performance management tool, such as a dashboard, as a means of improving business processes and streamlining the procurement process.

Your Committee finds that changing the focus of the task force and extending it to December 31, 2012, will enable it to offer further recommendations on how to improve the process by which the government procures goods and services from nonprofit organizations in the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 40, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3394 Ways and Means on S.C.R. No. 57

The purpose and intent of this measure is to promote consideration of changes to the State Foundation on Culture and the Arts.

Specifically, this measure establishes a working group to recommend:

- (1) Administrative placement of the State Foundation on Culture and the Arts;
- (2) Methods for leveraging financing to support Hawaii's cultural sector and to raise the grants funding capacity;
- (3) A sustainable funding model;
- (4) Changes to the State Foundation on Culture and the Arts and its infrastructure; and
- (5) Methods of collaborating with stakeholders.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that Hawaii's art and cultural relevancy will be enhanced by transferring the State Foundation on Culture and the Arts from the Department of Accounting and General Services to another agency that will create better opportunities for growth and expansion. Your Committee further finds that requesting the State Foundation on Culture and the Arts to establish the working group and issue the report will ensure that its Commissioners and Executive Director will support the working group's recommendations.

Your Committee has amended this measure by:

- (1) Requesting the State Foundation on Culture and the Arts, instead of the Department of Accounting and General Services, to establish the working group and submit a report to the Legislature;
- (2) Amending the title of the measure to reflect the change in agency responsible for establishing the working group;
- (3) Setting the composition of the working group at a maximum of seven members; and
- (4) 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 concurs with the intent and purpose of S.C.R. No. 57, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 57, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3395 Ways and Means on S.C.R. No. 36

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism, with the cooperation of the University of Hawaii, Kapiolani Community College, and the Hawaii Tourism Authority, to develop a plan to examine the long-term uses of the Hawaii Film Studio Diamond Head campus.

More specifically, the measure requests the Department to:

- (1) Examine the following options:
 - (A) Transitioning the use of the facility to provide administrative support for the operations of Hawaii's film and digital media programs if increased production facility infrastructure is developed elsewhere on Oahu;
 - (B) Having the facility serve as a training and laboratory facility in conjunction with expanded film and digital media educational programs; or
 - (C) Continuing the current use as a film and television production facility;
- (2) Consider the impacts of continued production activity or proposed alternative uses on adjacent neighborhoods;
- (3) Solicit community input from residents in nearby residential communities such as Kahala, Diamond Head, Kaimuki, and Kapahulu; neighborhood boards; and Diamond Head State Monument administrators;
- (4) Examine the feasibility of expanding the Hawaii Film Studio Diamond Head campus to accommodate increased production activity, taking into consideration previous studies and reports that have identified challenges such as the limited production footprint of the studio's Diamond Head campus, as well as sensitivities of the surrounding community and Diamond Head State Monument; and
- (5) Submit the plan to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

Written comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that the Hawaii Film Studio was established as part of an effort to provide greater incentive for film and television productions to film in Hawaii. Your Committee notes that more than twenty major motion pictures and television productions have utilized the Hawaii Film Studio. However, further expansion of the film and television production industry is hampered by an acute lack of studio space statewide.

Your Committee further finds that, since 1986, the Legislature has approved more than \$17,000,000 to develop the Hawaii Film Studio campus, resulting in a state-of-the-art soundstage, new production offices, set construction facilities, and other improvements. In order to protect the State's significant investment in the facility to date, the Department of Business, Economic Development, and Tourism is seeking \$3,450,000 in capital improvements for repairs, general maintenance, and basic improvements at the Hawaii Film Studio in the State's fiscal year 2013 supplemental budget. Your Committee believes that the plan requested by this measure is necessary to determine how the Hawaii Film Studio Diamond Head campus may be best utilized in the long term.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 36, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 36, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3396 Ways and Means on S.C.R. No. 55

The purpose and intent of this measure is to expand Asia-Pacific business development opportunities for Hawaii businesses.

Specifically, this measure:

- (1) Requests the Lieutenant Governor to report to the Legislature on the State's strategic plan to expand Asia-Pacific business development opportunities for Hawaii businesses; and

- (2) Requests the Department of Business, Economic Development, and Tourism to include in its annual report the State's progress in implementing the strategic plan to expand Asia-Pacific business development opportunities.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that many economies in Asia and the Pacific are expected to see growth in the next year. Your Committee further finds that the Hawaii economy is heavily dependent upon the economies of the United States and key international countries. Increasing business opportunities for Hawaii businesses in Asia and the Pacific will help Hawaii benefit from the economic growth of those countries.

Your Committee further finds that requesting the Lieutenant Governor and the Department of Business, Economic Development, and Tourism to provide reports to the Legislature on the status of the State's strategic plan will facilitate the formulation and introduction of legislation to assist Hawaii businesses seeking business opportunities in Asia and the Pacific.

As 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. 55, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3397 Ways and Means on S.C.R. No. 30

The purpose and intent of this measure is to urge the United States Congress to amend the Unfunded Mandates Reform Act of 1995.

Specifically, the measure urges Congress to:

- (1) Apply the Act's cost estimation requirements to federal legislation that alters the conditions for receiving existing federal grant assistance;
- (2) Expand the scope of cost estimates to include indirect costs imposed by new federal legislation and rule making;
- (3) Remove the exception for mandates issued by independent regulatory agencies; and
- (4) Require cost estimates to be issued within six months after the adoption of urgent federal regulations that are issued without prior notice.

Your Committee finds that unfunded federal mandates place unreasonable demands on limited state resources. Your Committee also finds that the Unfunded Mandates Reform Act of 1995 was adopted to limit these mandates by requiring accurate cost estimates of federal legislation and rulemaking. However, loopholes in the original legislation have prevented full implementation of the Act according to its intent.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 30, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3398 Ways and Means on S.C.R. No. 6

The purpose and intent of this measure is to request the Department of Public Safety to reinvest funds originally intended for incarceration into structured community placement programs for eligible non-violent female offenders.

Written comments in support of this measure were submitted by the Office of Hawaiian Affairs; Community Alliance on Prisons; and two individuals. Written comments were also submitted by the Department of Public Safety.

Your Committee finds that structured community placement programs offer more effective treatment for offenders seeking to break the cycle of substance abuse, crime, and incarceration. Your Committee also finds that transferring funds used for incarceration to a structured community placement program will generate a savings of \$31,775 per year for every ten eligible non-violent female offenders.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 6, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3399 Ways and Means on S.R. No. 100

The purpose and intent of this measure is to improve the State's ability to meet current correctional needs.

Specifically, this measure encourages the Department of Public Safety to enter into a public-private partnership agreement for the planning, design, construction, turnkey, and financing of a new Maui Regional Public Safety Complex at Puunene, Maui, and requests the Department of Public Safety to place a strong emphasis on re-entry, transition, and support for family programs at the new complex.

Written comments in support of this measure were submitted by the Department of Public Safety. Written comments in opposition to this measure were submitted by Ohana Ho'opakele and three individuals. Written comments on this measure were submitted by the Community Alliance on Prisons.

Your Committee finds that the County of Maui is in need of modernized and expanded correctional facilities to meet its current correctional needs. Your Committee further finds that the most economically efficient way to achieve the needed construction of a new correctional facility is for the Department of Public Safety to enter into a public-private partnership for the planning, design, construction, turnkey, and financing of a new Maui Regional Public Safety Complex in the Puunene, Maui region.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 100, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3400 Ways and Means on S.C.R. No. 170

The purpose and intent of this measure is to improve the State's ability to meet current correctional needs.

Specifically, this measure encourages the Department of Public Safety to enter into a public-private partnership agreement for the planning, design, construction, turnkey, and financing of a new Maui Regional Public Safety Complex at Puunene, Maui, and requests the Department of Public Safety to place a strong emphasis on re-entry, transition, and support for family programs at the new complex.

Written comments in support of this measure were submitted by the Department of Public Safety. Written comments in opposition to this measure were submitted by Ohana Ho'opakele and three individuals. Written comments on this measure were submitted by the Community Alliance on Prisons.

Your Committee finds that the County of Maui is in need of modernized and expanded correctional facilities to meet its current correctional needs. Your Committee further finds that the most economically efficient way to achieve the needed construction of a new correctional facility is for the Department of Public Safety to enter into a public-private partnership for the planning, design, construction, turnkey, and financing of a new Maui Regional Public Safety Complex in the Puunene, Maui region.

As 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. 170, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3401 Ways and Means on S.R. No. 75

The purpose and intent of this measure is to support efforts to ensure that a visible military force is stationed in Hawaii.

Specifically, the measure:

- (1) Encourages the United States to continue its military strategy of forward-basing a visible military force in Hawaii;
- (2) Requests the Secretary of Defense to consider basing additional United States military forces in Hawaii; and
- (3) Urges the Military Affairs Council of the Chamber of Commerce of Hawaii to continue with its work as the liaison for Hawaii in matters relating to the military's presence in Hawaii.

Your Committee finds that actions taken by North Korea, China, and terrorist groups operating in Southeast Asian countries could disrupt security within the Pacific region, which in turn could disrupt the free flow of commerce and trade that is vital to the economies of Asia Pacific nations, the United States, and Hawaii specifically. Your Committee further finds that the military strategy of forward-basing military forces throughout the Pacific region, including Hawaii, provides a visible military presence that has successfully deterred adversaries from taking aggressive military actions that would cause political and economic instability.

Your Committee has amended this measure by:

- (1) Adding the United States Coast Guard Fourteenth District to the list of entities that will receive a certified copy of the Resolution; and
- (2) Clarifying that the Commander of each military command is the recipient of the Resolution.

As 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. 75, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 75, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3402 Ways and Means on S.C.R. No. 139

The purpose and intent of this measure is to support efforts to ensure that a visible military force is stationed in Hawaii.

Specifically, the measure:

- (1) Encourages the United States to continue its military strategy of forward-basing a visible military force in Hawaii;
- (2) Requests the Secretary of Defense to consider basing additional United States military forces in Hawaii; and
- (3) Urges the Military Affairs Council of the Chamber of Commerce of Hawaii to continue with its work as the liaison for Hawaii in matters relating to the military's presence in Hawaii.

Your Committee finds that actions taken by North Korea, China, and terrorist groups operating in Southeast Asian countries could disrupt security within the Pacific region, which in turn could disrupt the free flow of commerce and trade that is vital to the economies of Asia Pacific nations, the United States, and Hawaii specifically. Your Committee further finds that the military strategy of forward-basing military forces throughout the Pacific region, including Hawaii, provides a visible military presence that has successfully deterred adversaries from taking aggressive military actions that would cause political and economic instability.

Your Committee has amended this measure by:

- (1) Adding the United States Coast Guard Fourteenth District to the list of entities that will receive a certified copy of the Concurrent Resolution; and
- (2) Clarifying that the Commander of each military command is the recipient of the Concurrent Resolution.

As 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. 139, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 139, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3403 (Joint) Water, Land, and Housing and Economic Development and Technology and Energy and Environment and Ways and Means on S.C.R. No. 158

The purpose and intent of this measure is to request the Auditor to conduct an audit of the State's program of geothermal leasing and royalty payments.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review and comment. The proposed S.D. 1:

- (1) Amends the title to read: "REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO PROVIDE GREATER TRANSPARENCY IN THE ALLOCATION OF GEOTHERMAL ROYALTIES SO THAT BENEFITS ACCRUE TO THE COMMUNITY IN WHICH THE GEOTHERMAL RESOURCES ARE LOCATED, AND TO TAKE
- (2) Deletes language referencing an audit by the Auditor relating to geothermal leasing and royalty payments and the interests of the Department of Business, Economic Development, and Tourism (DBEDT);
- (3) Requests the Department of Land and Natural Resources (DLNR) to:
 - (A) Provide greater transparency in allocating geothermal royalties to show how benefits accrue to the community in which the geothermal resources are located;
 - (B) Establish a temporary advisory board to make recommendations for expending geothermal royalties; and
 - (C) Use geothermal royalties to identify promising geothermal sites and to further develop geothermal resources;
- (4) Requests DBEDT:
 - (A) Commission a study on the economic impact of various prices of oil; and
 - (B) Collaborate with DLNR to commission a critical review of the geothermal permitting process, regulatory capabilities, and possible investment incentives;
- (5) Requests DLNR and DBEDT to submit a report to the Legislature regarding any actions taken to implement the recommendations of the task force convened pursuant to Senate Concurrent Resolution No. 99, Regular Session of 2010; and
- (6) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Land and Natural Resources and one individual. The Department of Business, Economic Development, and Tourism and one individual submitted comments on the proposed S.D. 1.

Your Committees find that geothermal resources are an indigenous and valuable resource that has become increasingly important as the State struggles to find alternatives to fossil fuels. This measure would encourage collaborative efforts between state agencies to clarify the permitting and regulatory process to facilitate geothermal development. Furthermore, clearer accounting for the distribution of geothermal royalties, as requested by the proposed S.D. 1, is necessary to provide greater transparency and ensure the proper and fair allocation of revenues generated by this precious resource.

Your Committees have amended this measure by adopting the proposed S.D. 1.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing and Economic Development and Technology and Energy and Environment and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 158, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 158, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 13. Noes, none. Excused, 7 (Green, Ihara, Kahele, Kim, Kouchi, Shimabukuro, Tokuda).

SCRep. 3404 Human Services on S.C.R. No. 84

The purpose and intent of this measure is to urge the Hawaii Public Housing Authority to apply for a United States Department of Housing and Urban Development Choice Neighborhoods Grant.

Prior to the hearing, your Committee posted a proposed S.D. 1 of this measure for public review and comment. The proposed S.D. 1 amended this measure to support the Hawaii Public Housing Authority's application for a Choice Neighborhoods Grant and to urge the United States Department of Housing and Urban Development to select the Authority as a Choice Neighborhoods Grant recipient.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii Public Housing Authority and one individual.

Your Committee finds that the Hawaii Public Housing Authority is currently in the process of applying for a Choice Neighborhoods Planning Grant. In 2011, the Authority was among seventy-one applicants that met the threshold criteria for a Choice Neighborhoods Planning Grant. Unfortunately, due to federal fiscal constraints, the Authority was not among the thirteen planning grants awarded and therefore did not have the funding to undertake the necessary steps to develop the required transformation plan that supports the application for an implementation grant.

Your Committee further finds that the United States Department of Housing and Urban Development anticipates awarding as many as twenty planning grants under the fiscal year 2012 Notice of Funds Availability. Therefore, the Authority is focusing its efforts on obtaining a planning grant to develop a transformation plan that will be submitted for a full implementation grant. Accordingly, the proposed S.D. 1 supports the Authority's application for a Choice Neighborhoods Grant and urges the United States Department of Housing and Urban Development to select the Hawaii Public Housing Authority as a Choice Neighborhoods Grant recipient.

Your Committee has amended this measure by adopting the proposed S.D. 1.

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. 84, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 84, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3405 Ways and Means on S.R. No. 82

The purpose and intent of this measure is to request the Department of Human Services to examine the applicability of the Basic Health Program for low-income persons in Hawaii and determine whether it should amend the federal section 1115 waiver to increase Medicaid income eligibility.

Your Committee finds that the federal Patient Protection and Affordable Care Act offers states the option to implement a Basic Health Program that would expand health coverage for certain low income persons who are not eligible for Medicaid. Your Committee also finds that a Basic Health Program also offers an opportunity for the State to receive financial support from the federal government for this public health program. However, complete federal guidance on the administration of a Basic Health Program is not yet available, and many questions remain unanswered before the State may make an informed decision whether to create such a program.

Accordingly, your Committee believes that the Department of Human Services should evaluate whether a Basic Health Program would be appropriate and effective for Hawaii once federal guidance is available. Your Committee also believes that the Department should consider the costs and benefits of amending the federal section 1115 waiver to raise the Medicaid income eligibility ceiling to provide the widest health care coverage.

Your Committee has amended this measure by:

- (1) Changing references to the "Basic Health Plan" throughout the measure, including the title, to "Basic Health Program" to conform with the federal Patient Protection and Affordable Care Act; and
- (2) Making technical nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 82, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 82, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kaehele, Kim, Kouchi, Slom).

SCRep. 3406 Ways and Means on S.C.R. No. 147

The purpose and intent of this measure is to request the Department of Human Services to examine the applicability of the Basic Health Program for low-income persons in Hawaii and determine whether it should amend the federal section 1115 waiver to increase Medicaid income eligibility.

Your Committee finds that the federal Patient Protection and Affordable Care Act offers states the option to implement a Basic Health Program that would expand health coverage for certain low income persons who are not eligible for Medicaid. Your Committee also finds that a Basic Health Program also offers an opportunity for the State to receive financial support from the federal government for this public health program. However, complete federal guidance on the administration of a Basic Health Program is not yet available, and many questions remain unanswered before the State may make an informed decision whether to create such a program.

Accordingly, your Committee believes that the Department of Human Services should evaluate whether a Basic Health Program would be appropriate and effective for Hawaii once federal guidance is available. Your Committee also believes that the Department should consider the costs and benefits of amending the federal section 1115 waiver to raise the Medicaid income eligibility ceiling to provide the widest health care coverage.

Your Committee has amended this measure by:

- (1) Changing references to the “Basic Health Plan” throughout the measure, including the title, to “Basic Health Program” to conform with the federal Patient Protection and Affordable Care Act; and
- (2) Making technical nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 147, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 147, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3407 Ways and Means on S.R. No. 73

The purpose and intent of this measure is to request the Director of the Office of Aerospace Development, in consultation with the Hawaii Aerospace Advisory Committee, to coordinate comments from interested parties and identify a lead entity to prepare a proposal, on behalf of the State, to the Federal Aviation Administration for Hawaii to be selected as an unmanned aircraft system test site.

Written comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that the Federal Aviation Administration Modernization and Reform Act of 2012 and the National Defense Authorization Act for Fiscal Year 2012 require the Federal Aviation Administration to establish six unmanned aircraft system test sites. Operations at these sites will provide critical data necessary to establish flight operations, certification standards, regulatory standards, and air traffic requirements to ensure safe operations for public and private unmanned aircraft systems. Your Committee also finds that the Federal Aviation Administration has recently initiated a search for the six unmanned aircraft system test sites in the

Your Committee believes that the selection of Hawaii as a national unmanned aircraft system test site would earn the State recognition as a center of excellence for the development and testing of advanced aviation technologies, create high-paying jobs in the State, and generate new streams of revenue into the State.

Your Committee has amended this measure by:

- (1) Clarifying the parties to whom certified copies of this measure shall be transmitted; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 73, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 73, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3408 Ways and Means on S.C.R. No. 137

The purpose and intent of this measure is to request the Director of the Office of Aerospace Development, in consultation with the Hawaii Aerospace Advisory Committee, to coordinate comments from interested parties and identify a lead entity to prepare a proposal, on behalf of the State, to the Federal Aviation Administration for Hawaii to be selected as an unmanned aircraft system test site.

Written comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that the Federal Aviation Administration Modernization and Reform Act of 2012 and the National Defense Authorization Act for Fiscal Year 2012 require the Federal Aviation Administration to establish six unmanned aircraft system test sites. Operations at these sites will provide critical data necessary to establish flight operations, certification standards, regulatory standards, and air traffic requirements to ensure safe operations for public and private unmanned aircraft systems. Your Committee also finds that the Federal Aviation Administration has recently initiated a search for the six unmanned aircraft system test sites in the United States. As part of this search, the Federal Aviation Administration has begun soliciting public comments for the purposes of refining test site requirements, designation standards, and oversight activities. Upon completion of the comment period, the Federal Aviation Administration will issue a request for proposals to develop unmanned aircraft system test sites.

Your Committee believes that the selection of Hawaii as a national unmanned aircraft system test site would earn the State recognition as a center of excellence for the development and testing of advanced aviation technologies, create high-paying jobs in the State, and generate new streams of revenue into the State.

Your Committee has amended this measure by:

- (1) Clarifying the parties to whom certified copies of this measure shall be transmitted; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 137, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 137, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3409 Ways and Means on S.C.R. No. 42

The purpose and intent of this measure is to request the Legislative Reference Bureau to conduct a study to determine ways, other than tax incentives, to encourage employers to provide and pay for long-term care insurance and individuals to purchase this insurance.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs. Written comments on this measure were received from the Legislative Reference Bureau.

Your Committee finds that the high cost of long-term care insurance is a major barrier for many consumers. While tax incentives can reduce the costs of purchasing this type of insurance, this measure seeks to identify other options to encourage the availability and purchase of affordable long-term care insurance.

Your Committee has amended this measure by:

- (1) Deleting the Hawaii Long-Term Care Commission from the list of entities that will receive a certified copy of this measure, as the Commission's term will expire on the adjournment sine die of the 2012 Regular Session; and
- (2) Making technical nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 42, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 42, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3410 Ways and Means on S.C.R. No. 94

The purpose and intent of this measure is to encourage healthy lifestyles while lowering health care costs for employers and employees.

Specifically, this measure requests the Department of Health and the Department of Labor and Industrial Relations to conduct a study to promote workplace wellness programs and to submit a report of their findings, recommendations, and any proposed legislation to the Legislature.

Written comments in support of this measure were submitted by the Office of Hawaiian Affairs. Written comments in opposition to this measure were submitted by the Department of Labor and Industrial Relations.

Your Committee finds that workplace wellness programs, including health risk assessments, clinical screenings, on-site exercise facilities, education materials, health counseling, and on-site group activities, result in long-term health benefits to employees, increased productivity, and lower replacement costs due to absenteeism. Your Committee further finds that large employers that adopt wellness programs realize a more than three-to-one reduction in medical costs for every dollar spent on wellness programs.

Your Committee has amended this measure by making technical nonsubstantive amendments for the 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 concurs with the intent and purpose of S.C.R. No. 94, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 94, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3411 Ways and Means on S.C.R. No. 129

The purpose and intent of this measure is to request the Auditor to conduct an impact assessment report on legislation mandating certain health insurance coverage for outpatient prescription drugs.

Your Committee finds that legislation has been introduced in Hawaii to require certain health insurance policies to provide coverage for outpatient prescription drugs. This measure requests the Auditor to evaluate the social and financial impacts of this legislation, as required under sections 23-51 and 23-52, Hawaii Revised Statutes, for the consideration of any legislation that mandates health insurance coverage for specific health services, diseases, or health care providers.

Your Committee has amended this measure by:

- (1) Deleting a reference to the January 1, 2013, start date for mandatory health insurance coverage for outpatient prescription drugs under the legislation that the Auditor is requested to evaluate, as this legislation is pending the Auditor's report to the 2013 Legislature and would not be enacted until after the commencement of the 2013 Regular Session;
- (2) Amending the cited language of section 23-51, Hawaii Revised Statutes, to conform to the statute; 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 concurs with the intent and purpose of S.C.R. No. 129, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 129, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3412 Ways and Means on S.R. No. 90

The purpose and intent of this measure is to request the Department of Human Services to implement a demonstration project to integrate healthcare for individuals enrolled in both Medicaid and Medicare.

Your Committee finds that the Department of Human Services has already begun working with the Centers for Medicare and Medicaid Services on a demonstration dual integration project that includes Centers-approved dual eligible special needs plans. Your Committee also finds that integrating the management of Medicare and Medicaid health services has the potential to decrease costs and increase the quality of health care by closing coverage gaps, decreasing fragmented care, and streamlining the administrative 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 concurs with the intent and purpose of S.R. No. 90, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3413 Ways and Means on S.C.R. No. 153

The purpose and intent of this measure is to request the Department of Human Services to implement a demonstration project to integrate healthcare for individuals enrolled in both Medicaid and Medicare.

Your Committee finds that the Department of Human Services has already begun working with the Centers for Medicare and Medicaid Services on a demonstration dual integration project that includes Centers-approved dual eligible special needs plans. Your Committee also finds that integrating the management of Medicare and Medicaid health services has the potential to decrease costs and increase the quality of health care by closing coverage gaps, decreasing fragmented care, and streamlining the administrative 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 concurs with the intent and purpose of S.C.R. No. 153, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3414 Ways and Means on S.C.R. No. 44

The purpose and intent of this measure is to request the Insurance Commissioner to study the viability of using life insurance accelerated death benefits and viatical settlements to finance long-term care needs.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs. Written comments on this measure were received from the Legislative Reference Bureau.

Your Committee finds that the Hawaii Long-Term Care Commission was established by Act 224, Session Laws of Hawaii 2008, to conduct a comprehensive assessment of Hawaii's long-term care system. One of the initiatives proposed by the Commission in its final report to the Legislature was to explore using life insurance as a source of long-term care financing. Specifically, the Commission recommended that the Insurance Commissioner and the Legislature study the feasibility of using accelerated death benefits and viatical settlements to fund long-term care needs. This measure requests the Insurance Commissioner to undertake the study recommended by the Commission.

Your Committee has amended this measure by:

- (1) With regard to the list of entities that will receive a certified copy of this measure:
 - (A) Deleting the Hawaii Long-Term Care Commission, as the Commission's term will expire upon the adjournment sine die of the 2012 Regular Session; and
 - (B) Adding the Director of the Legislative Reference Bureau; and
- (2) 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 concurs with the intent and purpose of S.C.R. No. 44, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 44, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3415 Ways and Means on S.R. No. 71

The purpose and intent of this measure is to promote Hawaii-grown agricultural commodities. Specifically, the measure requests the Department of Agriculture to work with Hawaii growers and producers to establish a program for schools, military bases, and private entities to purchase Hawaii-grown agricultural products and to submit a report to the Legislature on the implementation of the program.

Your Committee finds that a program expanding the local market for Hawaiian-grown agricultural products would increase consumption of local produce, benefit the State's economy, provide support for local farmers and producers of agricultural products, and encourage healthy eating habits in the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 71 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 5 (Espero, Kahele, Kim, Kouchi, Slom).

SCRep. 3416 Ways and Means on S.C.R. No. 134

The purpose and intent of this measure is to promote Hawaii-grown agricultural commodities. Specifically, the measure requests the Department of Agriculture to work with Hawaii growers and producers to establish a program for schools, military bases, and private entities to purchase Hawaii-grown agricultural products and to submit a report to the Legislature on the implementation of the program.

Your Committee received written comments in support of this measure from one individual.

Your Committee finds that a program expanding the local market for Hawaiian-grown agricultural products would increase consumption of local produce, benefit the State's economy, provide support for local farmers and producers of agricultural products, and encourage healthy eating habits in the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 134 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Espero, Kahele, Kim, Kouchi, Slom).

SCRep. 3417 Ways and Means on S.R. No. 43

The purpose and intent of this measure is to promote the Hawaiian language in the State's educational system.

- (1) Requests the University of Hawaii, with the assistance of the Department of Education, to review the State's funding for current English as a second language and Hawaiian language programs and to determine any differences in funding; and
- (2) Requests the University of Hawaii to report its findings and recommendations, including projected costs to address any differences in funding, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs.

Your Committee finds that although Hawaiian is one of the official languages of this State, fluent speakers of the Hawaiian language are a minority. Your Committee also finds that funding for Hawaiian language programs is more limited than that available for English as a second language programs. The University of Hawaii's study and report will assist the Legislature in determining a course of action to improve funding for Hawaiian language 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 concurs with the intent and purpose of S.R. No. 43, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3418 Ways and Means on S.C.R. No. 87

The purpose and intent of this measure is to promote the Hawaiian language in the State's educational system. Specifically, this measure:

- (1) Requests the University of Hawaii, with the assistance of the Department of Education, to review the State's funding for current English as a second language and Hawaiian language programs and to determine any differences in funding; and
- (2) Requests the University of Hawaii to report its findings and recommendations, including projected costs to address any differences in funding, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs.

Your Committee finds that although Hawaiian is one of the official languages of this State, fluent speakers of the Hawaiian language are a minority. Your Committee also finds that funding for Hawaiian language programs is more limited than that available for English as a second language programs. The University of Hawaii's study and report will assist the Legislature in determining a course of action to improve funding for Hawaiian language 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 concurs with the intent and purpose of S.C.R. No. 87, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3419 Ways and Means on S.C.R. No. 22

The purpose and intent of this measure is to approve the sale of the leased fee interest in 41-557 Kamanaaina Place, Waimanalo, Hawaii, to its current leasehold owner.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation and the Department of Business, Economic Development, and Tourism. The Office of Hawaiian Affairs submitted written comments on the measure.

Your Committee finds that the Hawaii Housing Finance and Development Corporation desires to sell the leased fee interest in 41-557 Kamanaaina Place, Waimanalo, Hawaii, which is a single family home that is part of the Waimanalo Village Annex Self Help affordable housing project. This measure satisfies the requirement of section 171-64.7, Hawaii Revised Statutes, that the Legislature provide approval by concurrent resolution prior to the sale of certain state lands in fee simple.

As 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. 22 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3420 Ways and Means on S.C.R. No. 23

The purpose and intent of this measure is to approve the sale of the leased fee interest in 2949 Ala Ilima Street, No. 303, Honolulu, Hawaii, to its current leasehold owners.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation and the Department of Business, Economic Development, and Tourism. The Office of Hawaiian Affairs submitted written comments on the measure.

Your Committee finds that the Hawaii Housing Finance and Development Corporation desires to sell the leased fee interest in 2949 Ala Ilima Street, No. 303, Honolulu, Hawaii, which is an apartment unit in the Puana Malu condominium. This measure satisfies the requirement of section 171-64.7, Hawaii Revised Statutes, that the Legislature provide approval by concurrent resolution prior to the sale of certain state lands in fee simple.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3421 Ways and Means on S.C.R. No. 18

The purpose and intent of this measure is to approve the sale of the leased fee interest in 593 Kuliouou Road, Honolulu, Hawaii, to its current leasehold owner.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation and the Department of Business, Economic Development, and Tourism. The Office of Hawaiian Affairs submitted written comments on the measure.

Your Committee finds that the Hawaii Housing Finance and Development Corporation desires to sell the leased fee interest in 593 Kuliouou Road, Honolulu, Hawaii, which is a single family home that is part of the Kau Hale o Kuliouou project. This measure satisfies the requirement of section 171-64.7, Hawaii Revised Statutes, that the Legislature provide approval by concurrent resolution prior to the sale of certain state lands in fee simple.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 18 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3422 Ways and Means on S.C.R. No. 19

The purpose and intent of this measure is to approve the sale of the leased fee interest in 619 Kuliouou Road, Honolulu, Hawaii, to its current leasehold owner.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation and the Department of Business, Economic Development, and Tourism. The Office of Hawaiian Affairs submitted written comments on the measure.

Your Committee finds that the Hawaii Housing Finance and Development Corporation desires to sell the leased fee interest in 619 Kuliouou Road, Honolulu, Hawaii, which is a single family home that is part of the Kau Hale o Kuliouou project. This measure satisfies the requirement of section 171-64.7, Hawaii Revised Statutes, that the Legislature provide approval by concurrent resolution prior to the sale of certain state lands in fee simple.

As 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. 19 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3423 Ways and Means on S.C.R. No. 20

The purpose and intent of this measure is to approve the sale of the leased fee interest in 644 Hokiokio Place, Honolulu, Hawaii, to its current leasehold homeowner.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation and the Department of Business, Economic Development, and Tourism. The Office of Hawaiian Affairs submitted written comments on the measure.

Your Committee finds that the Hawaii Housing Finance and Development Corporation desires to sell the leased fee interest in 644 Hokiokio Place, Honolulu, Hawaii, which is a single family home that is part of the Kau Hale o Kuliouou project. This measure satisfies the requirement of section 171-64.7, Hawaii Revised Statutes, that the Legislature provide approval by concurrent resolution prior to the sale of certain state lands in fee simple.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 20 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3424 Ways and Means on S.C.R. No. 25

The purpose and intent of this measure is to approve the sale of the leased fee interest in 95-017 Kuaahelani Avenue, No. 321, Mililani, Hawaii, to its current leasehold owners.

Your Committee received written comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that the Hawaii Housing Finance and Development Corporation desires to sell the leased fee interest in 95-017 Kuaahelani Avenue, No. 321, Mililani, Hawaii, which is an apartment unit in the Nahoa Apartments condominium. This measure satisfies the requirement of section 171-64.7, Hawaii Revised Statutes, that the Legislature provide approval by concurrent resolution prior to the sale of certain state lands in fee simple.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 25 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3425 Ways and Means on S.C.R. No. 124

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a fifty-five year term, non-exclusive easement covering a portion of state submerged and reclaimed lands for maintenance, repair, replacement, and removal of an existing rubble rock revetment over, under, and across state submerged lands.

Your Committee finds that a concrete and rubble rock revetment encumbers an area of 5,597 square feet of state submerged lands. Your Committee further finds that, on October 14, 2010, the Board of Land and Natural Resources approved the cancellation of a revocable permit issued in 1975 and the issuance of a fifty-five year term, non-exclusive easement to the Association of Apartment Owners of Lokelani for the revetment. This measure satisfies the requirement of section 171-53, Hawaii Revised Statutes, that the Legislature provide authorization by concurrent resolution prior to the leasing of state submerged lands.

Your Committee has amended this measure by clarifying that the correct reference for the revetment is tax map key (2) 4-3 006:065.

As 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, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3426 Ways and Means on S.C.R. No. 155

The purpose and intent of this measure is to urge the Kahoolawe Island Reserve Commission to require each stewardship program conducting activities on the Kahoolawe Island Reserve to obtain liability and property damage insurance and to list the State as an additional insured.

Your Committee finds that, pursuant to section 6K-6(1), Hawaii Revised Statutes, the Kahoolawe Island Reserve Commission regulates permissible uses within the Kahoolawe Island Reserve and, therefore, has a responsibility to protect the State from liability against claims arising from stewardship program activities conducted on the reserve. Your Committee further finds that the necessary protection from these claims is best achieved by requiring each stewardship program to carry sufficient liability and property damage insurance and to list the State as an additional insured at the cost and expense of the stewardship program.

Your Committee has amended this measure by:

- (1) Correcting the effective date of the 2009 stewardship agreement from April 9 to April 7; and
- (2) Making technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3427 Ways and Means on S.C.R. No. 63

The purpose and intent of this measure is to request the Auditor to conduct a fiscal audit of the Kahoolawe rehabilitation trust fund.

The measure also requests that the audit include a determination of whether the trust fund is being used:

- (1) In compliance with state laws and any applicable grant agreements; and

- (2) To effectuate the purposes of chapter 6K, Hawaii Revised Statutes, relating to the Kahoolawe Island Reserve, including the performance of duties and responsibilities of the Kahoolawe Island Reserve Commission.

Your Committee finds that the Kahoolawe Island Reserve Commission oversees the control and management of the Kahoolawe Island Reserve, a place of extraordinary cultural significance. The Commission is authorized to use moneys in the Kahoolawe rehabilitation trust fund to carry out the Commission's duties and responsibilities. Your Committee further finds that a fiscal audit of the trust fund would promote accountability and help determine the future funding needs of the Kahoolawe Island Reserve.

As 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. 63, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3428 Ways and Means on S.R. No. 58

The purpose and intent of this measure is to ensure that the State gathers and maintains an accurate accounting of facilities and lands under its control.

Specifically, the measure urges the Department of Land and Natural Resources to:

- (1) Expand the scope of the comprehensive information system established pursuant to Act 54, Session Laws of Hawaii 2011, to inventory and maintain information about the lands in the public land trust described in section 5(f) of the Admission Act and article XII, section 4, of the Hawaii Constitution, to further include public facilities, thereby creating a comprehensive asset management system for public lands and facilities; and
- (2) Utilize the resources of the Department of Accounting and General Services to coordinate and develop the comprehensive asset management system.

Your Committee finds that Act 54, Session Laws of Hawaii 2011, established a comprehensive information system for public lands to inventory and maintain information relating to the public land trust, also known as ceded lands, and other state lands. The comprehensive information system is coordinated by the Department of Land and Natural Resources.

Your Committee also finds that full and optimal use of the State's lands and facilities is not being made because vital information regarding these lands and facilities is not centralized and accessible to all decision makers, thereby making it difficult to make sound economic decisions. Your Committee believes that expanding the scope of the comprehensive information system for public lands to include information on public facilities is necessary to ensure the full and optimal use of the State's lands and 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 concurs with the intent and purpose of S.R. No. 58, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3429 Ways and Means on S.C.R. No. 117

The purpose and intent of this measure is to ensure that the State gathers and maintains an accurate accounting of facilities and lands under its control.

Specifically, the measure urges the Department of Land and Natural Resources to:

- (1) Expand the scope of the comprehensive information system established pursuant to Act 54, Session Laws of Hawaii 2011, to inventory and maintain information about the lands in the public land trust described in section 5(f) of the Admission Act and article XII, section 4, of the Hawaii Constitution, to further include public facilities, thereby creating a comprehensive asset management system for public lands and facilities; and
- (2) Utilize the resources of the Department of Accounting and General Services to coordinate and develop the comprehensive asset management system.

Written comments on this measure were submitted by the Department of Land and Natural Resources.

Your Committee finds that Act 54, Session Laws of Hawaii 2011, established a comprehensive information system for public lands to inventory and maintain information relating to the public land trust, also known as ceded lands, and other state lands. The comprehensive information system is coordinated by the Department of Land and Natural Resources.

Your Committee also finds that full and optimal use of the State's lands and facilities is not being made because vital information regarding these lands and facilities is not centralized and accessible to all decision makers, thereby making it difficult to make sound economic decisions. Your Committee believes that expanding the scope of the comprehensive information system for public lands to include information on public facilities is necessary to ensure the full and optimal use of the State's lands and 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 concurs with the intent and purpose of S.C.R. No. 117, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3430 Ways and Means on S.R. No. 52

The purpose and intent of this measure is to request the Insurance Commissioner to consider the capital reserves and surplus of managed care plans when reviewing rate filings.

Written comments in support of this measure were submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that the federal Patient Protection and Affordable Care Act establishes a process for reviewing proposed increases in health plan premiums and requires plans to justify these rate increases. Your Committee further finds that health plans that accrue excessive reserves may simply be accumulating funds instead of using those moneys to pay claims. Accordingly, your Committee believes that the Insurance Commissioner should take health plans' capital reserves and surpluses into account when deciding whether to approve or disapprove proposed rate increases. Your Committee finds that considering this information in the rate review process will help ensure that plan subscribers pay appropriate rates for their 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.R. No. 52 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3431 Ways and Means on S.C.R. No. 108

The purpose and intent of this measure is to request the Insurance Commissioner to consider the capital reserves and surplus of managed care plans when reviewing rate filings.

Your Committee finds that the federal Patient Protection and Affordable Care Act establishes a process for reviewing proposed increases in health plan premiums and requires plans to justify these rate increases. Your Committee further finds that health plans that accrue excessive reserves may simply be accumulating funds instead of using those moneys to pay claims. Accordingly, your Committee believes that the Insurance Commissioner should take health plans' capital reserves and surpluses into account when deciding whether to approve or disapprove proposed rate increases. Your Committee finds that considering this information in the rate review process will help ensure that plan subscribers pay appropriate rates for 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. 108 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3432 Ways and Means on S.R. No. 101

The purpose and intent of this measure is to request the Agribusiness Development Corporation to acquire a parcel of land in Wahiawa for infrastructure improvements needed to achieve its mission.

Your Committee finds that acquisition of the land will assist the Agribusiness Development Corporation in fulfilling its duty to optimize agricultural assets by providing farmers and ranchers with necessary storage facilities for their goods.

Your Committee has amended this measure by:

- (1) Clarifying that the parcel is located on Oahu by specifying the nine digit tax map key 1-7-4-012-016, instead of the eight digit tax map key number 7-4-012-016; and
- (2) Clarifying language describing the parcel's location with respect to its proximity to farmlands.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 101, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 101, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Espero, Kahele, Kim, Kouchi, Slom).

SCRep. 3433 Ways and Means on S.C.R. No. 171

The purpose and intent of this measure is to request the Agribusiness Development Corporation to acquire a parcel of land in Wahiawa for infrastructure improvements needed to achieve its mission.

Your Committee finds that acquisition of the land will assist the Agribusiness Development Corporation in fulfilling its duty to optimize agricultural assets by providing farmers and ranchers with necessary storage facilities for their goods.

Your Committee has amended this measure by:

- (1) Clarifying that the parcel is located on Oahu by specifying the nine digit tax map key 1-7-4-012-016, instead of the eight digit tax map key number 7-4-012-016; and
- (2) Clarifying language describing the parcel's location with respect to its proximity to farmlands.

As 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. 171, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 171, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Espero, Kahele, Kim, Kouchi, Slom).

SCRep. 3434 Ways and Means on S.C.R. No. 122

The purpose and intent of this measure is to request the Board of Education and State Librarian to develop a strategic plan to optimize the use of state public library facilities.

Your Committee recognizes that programs hosted at facilities of the Hawaii State Public Library System provide valuable services to the community. Your Committee finds that expanding the uses of state public library facilities will encourage broader access by the public and may provide additional funding sources for the Hawaii State Public Library System.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 122 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3435 Ways and Means on S.R. No. 62

The purpose and intent of this measure is to request the Board of Education and State Librarian to develop a strategic plan to optimize the use of state public library 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 concurs with the intent and purpose of S.R. No. 62 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3436 Ways and Means on S.C.R. No. 77

The purpose and intent of this measure is to request the Board of Education and Department of Education to establish a statewide resource development program to create endowments within each complex area in the State.

Your Committee received written comments in support of this measure from one individual.

Your Committee finds that all public schools in the State should have the opportunity to establish endowments that would help to provide funding for needed resources. Established programs such as those at Hilo High School and Kahuku High School provide strong evidence of how similar support programs may assist other public schools to meet their funding needs. This measure encourages the Board of Education and Department of Education to work with established programs such as those at Hilo High School, Farrington High School, and Kahuku High School to establish a statewide resource development program to assist in creating endowments within each complex area.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 77, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 5 (English, Kahele, Kim, Kouchi, Tokuda).

SCRep. 3437 Ways and Means on S.R. No. 59

The purpose and intent of this measure is to urge the Office of Planning to timely conduct and complete regional plans and studies, as required by statute.

Written comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that the purpose of the Office of Planning is to maintain an overall framework to guide the development of the State through a continuous process of comprehensive, long-range, and strategic planning. Your Committee also finds that, pursuant to section 225M-2(b)(7), Hawaii Revised Statutes, the Office of Planning is required to conduct regional plans and studies to determine the following:

- (1) The capability of various regions within the State to support projected increases in resident populations and visitors;
- (2) The potential physical, social, economic, and environmental impact on these regions resulting from increases in resident populations and visitors; and
- (3) The maximum annual visitor carrying capacity for the State by region, county, and island.

The Office of Planning is required to conduct these regional plans and studies at appropriate intervals, but not less than once every five years. Your Committee notes that the Office of Planning has allegedly not completed comprehensive, long-range, and strategic planning to meet the needs of the State for the past twenty years. Your Committee believes that the data that would be provided by the regional plans and studies required by section 225M-2(b)(7), Hawaii Revised Statutes, is critical to developing long-term goals for the State's 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 concurs with the intent and purpose of S.R. No. 59 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3438 Ways and Means on S.C.R. No. 118

The purpose and intent of this measure is to urge the Office of Planning to timely conduct and complete regional plans and studies, as required by statute.

Written comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that the purpose of the Office of Planning is to maintain an overall framework to guide the development of the State through a continuous process of comprehensive, long-range, and strategic planning. Your Committee also finds that, pursuant to section 225M-2(b)(7), Hawaii Revised Statutes, the Office of Planning is required to conduct regional plans and studies to determine the following:

- (1) The capability of various regions within the State to support projected increases in resident populations and visitors;
- (2) The potential physical, social, economic, and environmental impact on these regions resulting from increases in resident populations and visitors; and
- (3) The maximum annual visitor carrying capacity for the State by region, county, and island.

The Office of Planning is required to conduct these regional plans and studies at appropriate intervals, but not less than once every five years. Your Committee notes that the Office of Planning has allegedly not completed comprehensive, long-range, and strategic planning to meet the needs of the State for the past twenty years. Your Committee believes that the data that would be provided by the regional plans and studies required by section 225M-2(b)(7), Hawaii Revised Statutes, is critical to developing long-term goals for the State's 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 concurs with the intent and purpose of S.C.R. No. 118 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3439 Ways and Means on S.R. No. 61

The purpose and intent of this measure is to request the Board of Education and the Department of Education to review and evaluate compliance with and effectiveness of the Reinventing Education Act of 2004.

Written comments in support of this measure were submitted by one individual.

Your Committee finds that the intent of Act 51, Session Laws of Hawaii 2004, was to decentralize decision making at the Department of Education and empower complex-and school-level staff and administrators, as well as to encourage greater community involvement, and provide better professional development, enhanced technology, and other educational resources to the Department of Education. More than seven years have passed since Act 51 was enacted. Accordingly, your Committee believes that sufficient time has passed to allow for a review and evaluation of compliance with Act 51 and the effectiveness of Act 51 in achieving the State's educational goals.

As 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. 61, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3440 Ways and Means on S.C.R. No. 121

The purpose and intent of this measure is to request the Board of Education and the Department of Education to review and evaluate compliance with and effectiveness of the Reinventing Education Act of 2004.

Written comments in support of this measure were submitted by the Imua Alliance.

Your Committee finds that the intent of Act 51, Session Laws of Hawaii 2004, was to decentralize decision making at the Department of Education and empower complex-and school-level staff and administrators, as well as to encourage greater community involvement, and provide better professional development, enhanced technology, and other educational resources to the Department of Education. More than seven years have passed since Act 51 was enacted. Accordingly, your Committee believes that sufficient time has passed to allow for a review and evaluation of compliance with Act 51 and the effectiveness of Act 51 in achieving the State's educational goals.

As 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. 121, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3441 Ways and Means on S.C.R. No. 24

The purpose and intent of this measure is to approve the sale of the leased fee interest in 95-031 Kuaahelani Avenue, No. 242, Mililani, Hawaii, to its current leasehold owner.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation and the Department of Business, Economic Development, and Tourism. The Office of Hawaiian Affairs submitted written comments on the measure.

Your Committee finds that the Hawaii Housing Finance and Development Corporation desires to sell the leased fee interest in 95-031 Kuaahelani Avenue, No. 242, Mililani, Hawaii, which is an apartment unit in the Nahoia Apartments condominium. This measure satisfies the requirement of section 171-64.7, Hawaii Revised Statutes, that the Legislature provide approval by concurrent resolution prior to the sale of certain state lands in fee simple.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 24 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3442 Ways and Means on S.C.R. No. 21

The purpose and intent of this measure is to approve the sale of the leased fee interest in 2314 10th Avenue, Honolulu, Hawaii, to its current leasehold owner.

Your Committee finds that the Hawaii Housing Finance and Development Corporation desires to sell the leased fee interest in 2314 10th Avenue, Honolulu, Hawaii, which is a single family home that is part of the Palolo Solar Homes project. This measure satisfies the requirement of section 171-64.7, Hawaii Revised Statutes, that the Legislature provide approval by concurrent resolution prior to the sale of certain state lands in fee simple.

As 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. 21 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3443 Ways and Means on S.C.R. No. 89

The purpose and intent of this measure is to request the Auditor to conduct a management audit of the Measurement Standards Branch of the Department of Agriculture.

Your Committee finds that the Measurement Standards Branch of the Department of Agriculture is tasked with administering standards of commercial measurement, labeling, and pricing through a program of licensing, inspection, testing, calibration, and investigation, for the purpose of reducing losses for sellers and consumers. Over the years, positions within the Branch have been lost through attrition, and a recent reduction-in-force has reduced the Branch's ability to fulfill its responsibilities. A management audit will provide information and recommendations regarding the resources needed by the Branch to fully carry out its purpose and responsibilities.

As 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. 89, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Espero, Kahele, Kim, Kouchi, Slom).

SCRep. 3444 Ways and Means on S.C.R. No. 113

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands fronting the property identified as tax map key: (2) 4-4-001:042, at Honokawai, Lahaina, Maui, for the use, maintenance, repair, and removal of an existing seawall over, under, and across state-owned land.

Your Committee finds that the Board of Land and Natural Resources may lease state submerged lands with the prior approval of the Governor and the Legislature by concurrent resolution, pursuant to section 171-53, Hawaii Revised Statutes. Your Committee further finds that the subject seawall was constructed in 1965 to provide necessary coastal protection for the property identified as tax map key: (2) 4-4-001:042, and that it was later determined that a portion of the seawall encumbers state land, with submerged portions.

Your Committee also finds that, in September 2010, a final environment assessment for the existing seawall was completed and a finding of no significant impact was issued. In August 2011, the Board of Land and Natural Resources granted a fifty-five year term, non-exclusive easement to the Association of Unit Owners of Hale Kai Condominium for seawall improvements, subject to certain terms and conditions. Your Committee further finds that the easement is necessary for the use, maintenance, repair, and removal of the existing seawall.

As 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. 113 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3445 Ways and Means on S.C.R. No. 12

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands fronting the property identified as tax map key: (2) 4-5-001: seaward of 4, at Lahaina, Maui, for maintenance and repair of the existing deck and for use, repair, and maintenance of existing improvements.

Your Committee received written comments in support of this measure from two individuals.

Your Committee finds that the Board of Land and Natural Resources may lease state submerged lands with the prior approval of the Governor and the Legislature by concurrent resolution, pursuant to section 171-53, Hawaii Revised Statutes. Your Committee also finds that on October 27, 1989, the Board of Land and Natural Resources approved the issuance of a term, non-exclusive easement for twenty years, which commenced on August 1, 1991, and that the Board authorized a one-year holdover for the lease on July 8, 2011. Your Committee further finds that the easement is necessary to maintain and repair the existing deck and improvements.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 12 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Kahele, Kim, Kouchi, Slom).

SCRep. 3446 Ways and Means on S.C.R. No. 53

The purpose and intent of this measure is to improve the provision of health care in the State.

Specifically, this measure requests collaboration among the State Board of Nursing, the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, the Hawaii State Center for Nursing, and the Department of the Attorney General to identify and remove barriers relating to workforce data sharing and nursing practice in the State.

Written comments in support of this measure were submitted by the Hawaii State Center for Nursing and four individuals.

Your Committee finds that recent legislation was enacted to improve health care in the State by:

- (1) Increasing the scope of practice of nurses and advanced practice registered nurses; and
- (2) Requiring collaboration among state agencies, educational institutions, hospitals, and professional organizations to provide workforce data to the Hawaii State Center for Nursing.

However, the measures have not been fully implemented by the State Board of Nursing and the Professional and Vocational Licensing Division due to various barriers. In addition, improved collaboration between the various stakeholders is necessary to meet the demands of recent federal health care reform. Your Committee further finds that the barriers to workforce data sharing and nursing practice should be identified and removed to assist nurses in providing quality health care to Hawaii residents.

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 concurs with the intent and purpose of S.C.R. No. 53, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 53, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 5 (Espero, Kahele, Kim, Kouchi, Slom).

SCRep. 3447 Ways and Means on S.C.R. No. 120

The purpose and intent of this measure is to request the Board of Education and the Department of Education to apply for a waiver of the No Child Left Behind requirements for 2014.

This measure also requests the Board of Education and the Department of Education to update the Legislature on the status of the waiver application and conduct an informational briefing on the status of the waiver during the 2013 Regular Session.

Your Committee received written comments in support of this measure from Imua Alliance and one individual. Comments on this measure were received from the Department of Education.

Your Committee finds that although Hawaii student achievement levels have increased since 2001, it appears unlikely that Hawaii students will meet the raised standards set for 2014. Application for a waiver from the requirements is an appropriate course of action to preserve federal funds.

Your Committee has amended this measure by:

- (1) Adding language that requests the Board of Education and the Department of Education to create a plan to improve student achievement and attain high student outcomes, as required by the waiver application; and
- (2) Making technical nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 120, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 120, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3448 Ways and Means on S.C.R. No. 33

The purpose and intent of this measure is to request the Department of Education and the Board of Education to institute a green Hawaii program within the public school system.

Your Committee finds that projects that encourage recycling, organic gardening, and reduced water consumption can help alleviate pressure on school budgets by conserving and reusing resources. Your Committee also finds that encouraging green projects through a Green Hawaii program will teach students civic awareness, promote a spirit of cooperation in solving common problems, and facilitate mutual undertakings within the community.

Your Committee has amended this measure by clarifying which specific individuals are to receive a certified copy of the Concurrent Resolution as:

- (1) The Chairperson of the Board of Education;
- (2) The Executive Director of the Charter School Administrative Office; and

(3) The Chairperson of the Hawaii State Student Council.

As 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. 33, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 33, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3449 Ways and Means on S.C.R. No. 56

The purpose and intent of this measure is to request the Department of Land and Natural Resources to develop recommendations for increased fees to help support a fully staffed State Historic Preservation Division program.

Additionally, the measure requests the Department of Land and Natural Resources to pursue its recommended fee increases to partially defray the costs of regulating archaeological activities and reviewing proposed projects that may affect historic property, aviation artifacts, or burial sites, through amendments to rules adopted pursuant to chapter 91, Hawaii Revised Statutes.

Your Committee finds that, in recent years, the State Historic Preservation Division has faced a growing workload while dealing with reductions in personnel and budget cuts. Increasing the fees for archaeological permits and historic preservation reviews will help support a fully staffed State Historic Preservation Division program. Your Committee believes that the data requested by this measure will allow the State to determine fee increases that are realistic but not prohibitive.

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 concurs with the intent and purpose of S.C.R. No. 56, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 56, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3450 Ways and Means on S.C.R. No. 2

The purpose and intent of this measure is to obtain accurate information on the revenues generated from public trust lands. Specifically, the measure requests the Governor to:

- (1) Direct the Hawaii Public Housing Authority, the Hawaii Health Systems Corporation, and the Hawaii Housing Finance and Development Corporation to provide an accounting of all receipts from lands described in section 5(f) of the Admission Act, pursuant to section 5 of Act 178, Session Laws of Hawaii 2006; and
- (2) Direct all state departments to comply fully with section 5 of Act 178.

Written comments in support of this measure were submitted by the Office of Hawaiian Affairs. Written comments in opposition to this measure were submitted by the Hawaii Public Housing Authority and the Department of Human Services. Written comments were submitted by the Department of Land and Natural Resources.

Your Committee finds that Act 178, Session Laws of Hawaii 2006, was enacted to ensure full disclosure of all revenues generated on public trust land and to promote accountability of the state agencies charged with utilizing and managing public land trust resources.

Your Committee also finds that the State has a fiduciary obligation as a trustee of the public land trust and that several agencies charged with managing public trust lands have not provided the receipts or a consistent and full accounting of the revenues generated from the public land trust.

Your Committee has amended this measure by changing the reference to the "President of the Hawaii Health Systems Corporation" to the "Chairperson of the Board of Directors and Chief Executive Officer of the Hawaii Health Systems Corporation".

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 2, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 4 (Kahele, Kim, Kouchi, Slom).

SCRep. 3451 (Joint) Hawaiian Affairs and Human Services on S.R. No. 65

The purpose and intent of this measure is to express support for La'i'Opua 2020 and its efforts to construct the La'i'Opua Community Center Complex.

Your Committees received testimony in support of this measure from the Sovereign Councils of the Hawaiian Homelands Assembly, Waianae Kai Homestead Community Association, and three individuals.

Your Committees find that La'i'Opua 2020 was founded by the homesteaders of the Kaniohale Community Association, a Native Hawaiian homeowners association in the Villages of La'i'Opua. The Association's purpose is to ensure the existence of adequate health care, social services, and recreational facilities for the Native Hawaiian homesteaders and surrounding communities residing in the greater Kealakehe community.

Your Committees note that construction of the La'i'Opua Community Center Complex is on schedule. Federal, state, and private sector grants have been received; pre-development tasks and benchmarks – such as the environmental review, an archaeological

survey, the re-zoning, and the subdivision approval – have already been completed. The first phase of the project involves construction of the preschool, the community center, and associated road and parking areas.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 65 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (English, Galuteria, Kidani).

SCRep. 3452 (Joint) Hawaiian Affairs and Human Services on S.C.R. No. 126

The purpose and intent of this measure is to express support for La'i'Opua 2020 and its efforts to construct the La'i'Opua Community Center Complex.

Your Committees received testimony in support of this measure from the Sovereign Councils of the Hawaiian Homelands Assembly, Waianae Kai Homestead Community Association, and three individuals.

Your Committees find that La'i'Opua 2020 was founded by the homesteaders of the Kaniohale Community Association, a Native Hawaiian homeowners association in the Villages of La'i'Opua. The Association's purpose is to ensure the existence of adequate health care, social services, and recreational facilities for the Native Hawaiian homesteaders and surrounding communities residing in the greater Kealakehe community.

Your Committees note that construction of the La'i'Opua Community Center Complex is on schedule. Federal, state, and private sector grants have been received; pre-development tasks and benchmarks – such as the environmental review, an archaeological survey, the re-zoning, and the subdivision approval – have already been completed. The first phase of the project involves construction of the preschool, the community center, and associated road and parking areas.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 126 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (English, Galuteria, Kidani).

SCRep. 3453 Judiciary and Labor on S.R. No. 39

The purpose and intent of this measure is to develop laws to reduce unlawful behavior on a private ranch and farmland, and improve enforcement. Specifically, this measure urges the adoption of laws to:

- (1) Require written permission from the landowner in order to hunt on private lands; and
- (2) Amend the criminal trespassing laws to address hunting situations.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Hawaii Farm Bureau Federation; Palani Ranch; Ponoholo Ranch, Ltd.; Princeville Ranch; Waimalu Valley Ranch; Haleakala Ranch Company; Hawaii Cattlemen's Council, Inc.; Kahua Ranch, Ltd.; Maui Cattlemen's Association; Land Use Research Foundation of Hawaii; McCandless Ranch; W.H. Shipman, Limited; and three private individuals. Testimony in opposition to this measure was submitted by the Office of Hawaiian Affairs.

Your Committee finds that existing laws do not sufficiently discourage unlawful hunting situations on private lands, as they are confusing and not easily enforced. Incidents of livestock slaughtering, theft, vandalism, crop destruction, and poaching have become common on farms and ranches on several islands.

However, your Committee also finds that this measure presents a number of practical concerns, such as difficulties in obtaining a private landowner's written permission, especially when the landowner is absent. Your Committee recognizes that hunting may occur outside the permitting landowner's property when the property boundaries are unclear or when the animal enters into the abutting or nearby property.

Your Committee notes the concerns raised by the Office of Hawaiian Affairs that requiring Native Hawaiian practitioners to obtain prior written permission from private landowners and heightening criminal trespassing penalties may unduly burden Native Hawaiian traditional and customary practices. Many Native Hawaiians currently practice hunting for subsistence and other purposes as traditional and customary practices that are protected under the Hawaii State Constitution and held as a constitutional right by the Hawaii Supreme Court in *Public Access Shoreline Hawaii v. Hawaii County Planning Commission*, commonly known as PASH.

Accordingly, your Committee has amended this measure by:

- (1) Urging the Department of Land and Natural Resources, in consultation with the Department of the Attorney General and the Office of Hawaiian Affairs, to evaluate the feasibility of establishing laws to require written permission from the landowner in order to hunt on private lands and to discuss potential amendments to criminal trespassing laws to address hunting situations;
- (2) Requesting that the discussions among the three state agencies include issues relating to:
 - (A) The feasibility of obtaining written permission from a private landowner;
 - (B) The feasibility of obtaining written permission when the hunting occurs on the property of an absent, abutting, or nearby landowner;
 - (C) The enforcement of laws requiring prior written permission or criminal trespass when property boundaries are unclear; and

- (D) The impact that new or amended laws relating to hunting may have on protecting all Native Hawaiian rights customarily and traditionally exercised for subsistence, cultural, and religious purposes pursuant to the Hawaii State Constitution;
- (3) Requesting the Department of Land and Natural Resources to submit a written report of its findings and any proposed legislation to the Legislature prior to the Regular Session of 2013;
- (4) Changing the title to reflect the amended language; 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 concurs with the intent and purpose of S.R. No. 39, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 39, S.D. 2.

Signed by the Senate President on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3454 Judiciary and Labor on S.C.R. No. 85

The purpose and intent of this measure is to develop laws to reduce unlawful behavior on a private ranch and farmland, and improve enforcement. Specifically, this measure urges the adoption of laws to:

- (1) Require written permission from the landowner in order to hunt on private lands; and
- (2) Amend the criminal trespassing laws to address hunting situations.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Hawaii Farm Bureau Federation; Palani Ranch; Ponooho Ranch, Ltd.; Princeville Ranch; Waimalu Valley Ranch; Haleakala Ranch Company; Hawaii Cattlemen's Council, Inc.; Kahua Ranch, Ltd.; Maui Cattlemen's Association; Land Use Research Foundation of Hawaii; McCandless Ranch; W.H. Shipman, Limited; and three private individuals. Testimony in opposition to this measure was submitted by the Office of Hawaiian Affairs.

Your Committee finds that existing laws do not sufficiently discourage unlawful hunting situations on private lands, as they are confusing and not easily enforced. Incidents of livestock slaughtering, theft, vandalism, crop destruction, and poaching have become common on farms and ranches on several islands.

However, your Committee also finds that this measure presents a number of practical concerns, such as difficulties in obtaining a private landowner's written permission, especially when the landowner is absent. Your Committee recognizes that hunting may occur outside the permitting landowner's property when the property boundaries are unclear or when the animal enters into the abutting or nearby property.

Your Committee notes the concerns raised by the Office of Hawaiian Affairs that requiring Native Hawaiian practitioners to obtain prior written permission from private landowners and heightening criminal trespassing penalties may unduly burden Native Hawaiian traditional and customary practices. Many Native Hawaiians currently practice hunting for subsistence and other purposes as traditional and customary practices that are protected under the Hawaii State Constitution and held as a constitutional right by the Hawaii Supreme Court in *Public Access Shoreline Hawaii v. Hawaii County Planning Commission*, commonly known as PASH.

Accordingly, your Committee has amended this measure by:

- (1) Urging the Department of Land and Natural Resources, in consultation with the Department of the Attorney General and the Office of Hawaiian Affairs, to evaluate the feasibility of establishing laws to require written permission from the landowner in order to hunt on private lands and to discuss potential amendments to criminal trespassing laws to address hunting situations;
- (2) Requesting that the discussions among the three state agencies include issues relating to:
 - (A) The feasibility of obtaining written permission from a private landowner;
 - (B) The feasibility of obtaining written permission when the hunting occurs on the property of an absent, abutting, or nearby landowner;
 - (C) The enforcement of laws requiring prior written permission or criminal trespass when property boundaries are unclear; and
 - (D) The impact that new or amended laws relating to hunting may have on protecting all Native Hawaiian rights customarily and traditionally exercised for subsistence, cultural, and religious purposes pursuant to the Hawaii State Constitution;
- (3) Requesting the Department of Land and Natural Resources to submit a written report of its findings and any proposed legislation to the Legislature prior to the Regular Session of 2013;
- (4) Changing the title to reflect the amended language; 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 concurs with the intent and purpose of S.C.R. No. 85, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 85, S.D. 2.

Signed by the Senate President on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3455 Judiciary and Labor on S.C.R. No. 102

The purpose and intent of this measure is to request the Attorney General to establish a task force to determine the feasibility of the counties adopting rules to govern clean and sober housing that comply with federal and state laws.

Your Committee finds that clean and sober housing offers the help and support individuals need to make positive life choices to solidify long-term recovery from drug and alcohol abuse. Your Committee also finds that despite support for clean and sober houses, a few poorly managed clean and sober houses create negative public relations with neighborhoods and communities for other clean and sober houses. This measure requests the Attorney General to establish a task force made up of various representatives from the relevant executive agencies, social services community, and stakeholders to determine the feasibility of adopting rules that govern clean and sober housing that comply with federal and state laws.

However, your Committee notes the comments submitted by the Department of the Attorney General indicating several concerns regarding this measure, including using the term “clean and sober housing”, and the listed representation on the task force. The Department identified S.B. No. 2536, H.D. 2 (Regular Session of 2012), which establishes a clean and sober homes and halfway houses task force, and indicated its preference for this measure.

Your Committee further finds that the purpose and intent of the S.B. No. 2536, H.D. 2, is substantially similar to the purpose and intent of this measure. If S.B. No. 2536, H.D. 2, does not become law, then your Committee strongly urges that this measure prevail and a task force be established. However, if S.B. No. 2536, H.D. 2, becomes law, your Committee believes that this measure will no longer be necessary.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and adding language from S.B. No. 2536, H.D. 2, to request the Department of Health to establish a clean and sober homes and halfway houses task force to:
 - (A) Establish a clear definition of a “clean and sober home” and clear occupancy requirements for clean and sober homes and halfway houses;
 - (B) Develop a plan of accountability for clean and sober homes and halfway houses to ensure compliance with occupancy and other requirements;
 - (C) Conduct an inventory of clean and sober homes statewide, identify current occupancy levels, and determine compliance with county zoning laws and tax requirements;
 - (D) Promote community and advocacy education;
 - (E) Balance community concerns with the needs of individuals requiring clean and sober homes and halfway houses; and
 - (F) Report to the Legislature its plan of accountability and other findings and recommendations, including any proposed legislation;
- (2) Changing the title to reflect the amended language; 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 concurs with the intent and purpose of S.C.R. No. 102, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 102, S.D. 1.

Signed by the Senate President on behalf of the Committee.

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

SCRep. 3456 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.C.R. No. 92

The purpose and intent of this measure is to urge the Department of Land and Natural Resources and Public Land Development Corporation, with assistance from the County of Hawaii, to conduct a study on the establishment a public-private partnership to develop and improve the East Hawaii area of Hawaii County.

Your Committees received testimony in support of this measure from the Public Land Development Corporation; International Longshore and Warehouse Union Local 142, Hawaii Division; Indigenous Consultants, LLC; Innovations Development Group; and Outrigger Enterprises Group. Your Committees received comments on this measure from the Department of Land and Natural Resources and Aupuni O Hawaii.

Your Committees find that it is necessary to bring together state and county agencies to address the serious financial and employment needs and failing tourism infrastructure in East Hawaii on the island of Hawaii. The Public Land Development Corporation was established to optimize the use of public lands for recreation and leisure activities or for revenue generation, including through partnerships with the private sector that would increase work opportunities. This measure will bring interested agencies and parties together for the potential development and improvement of state lands, assist in the building of a community in need, and promote a safe and healthy environment and vibrant economy in the East Hawaii area of Hawaii County.

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. 92 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Kidani, Tokuda, Slom).

SCRep. 3457 Water, Land, and Housing on S.C.R. No. 175

The purpose and intent of this measure is to request the Public Land Development Corporation to submit a semi-annual report to the Legislature and the Board of Directors of the Corporation to submit an annual evaluation of the Executive Director of the Corporation to the Legislature.

Your Committee received testimony in support of this measure from the Public Land Development Corporation (“Corporation”).

The Corporation is a recently established entity that is responsible for land and development issues that heavily impact the State. As the Corporation is in its early stages and due to its dealings with highly controversial and sensitive issues, your Committee finds that additional reporting should be required to ensure appropriate legislative oversight.

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. 175 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

SCRep. 3458 Water, Land, and Housing on S.R. No. 105

The purpose and intent of this measure is to request the Public Land Development Corporation to submit a semi-annual report to the Legislature and the Board of Directors of the Corporation to submit an annual evaluation of the Executive Director of the Corporation to the Legislature.

Your Committee received testimony in support of this measure from the Public Land Development Corporation (“Corporation”).

The Corporation is a recently established entity that is responsible for land and development issues that heavily impact the State. As the Corporation is in its early stages and due to its dealings with highly controversial and sensitive issues, your Committee finds that additional reporting should be required to ensure appropriate legislative oversight.

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. 105 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

SCRep. 3459 (Joint) Water, Land, and Housing and Tourism and Transportation and International Affairs on S.R. No. 104

The purpose and intent of this measure is to urge the counties to revise laws to reflect strategic land use practices for main street redevelopment in existing towns that support public transportation and accommodate the growing population.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review and comment. The proposed S.D. 1 deleted the contents of this measure and inserted language to:

- (1) Describe the history of Koreans in Hawaii, Hawaii’s integral role in the visa waiver program for Koreans, Korean tourism, and the potential for a Koreatown in Hawaii to serve as a gateway, financially and culturally, to other states and to the rest of the world;
- (2) Request the Office of Planning, with assistance from the City and County of Honolulu Department of Planning and Permitting, to develop a master plan for a Koreatown in Hawaii;
- (3) Request the Office of Planning to submit a report of its findings and recommendations to the Legislature; and
- (4) Amend the title accordingly to read: “URGING THE ESTABLISHMENT OF KOREATOWN AND DEVELOPMENT OF A MASTER PLAN FOR THE DEVELOPMENT OF KOREATOWN”.

Your Committees received testimony in support of the proposed S.D. 1 from two individuals. Your Committees received testimony in opposition to the proposed S.D. 1 from the Office of Planning and City and County of Honolulu Department of Planning and Permitting.

Your Committees find that Koreans have had a long and diverse history in Hawaii and their influence continues to grow. On Oahu there is the Japanese Cultural Center, the Okinawan Center, Chinatown, and the Waipahu Filipino Community Center. Establishing a Koreatown would be the natural progression in acknowledging Koreans’ contributions to Hawaii and add color and vibrancy to our environment for residents and visitors.

Your Committees understand that due to the economic crisis, Hawaii has struggled with lower tourism numbers. However, with Korea’s recent inclusion in the visa waiver program, there has been a significant increase in Korean tourists, providing a much needed boost in Hawaii’s economy. Establishing a Koreatown will enhance not only Korean tourists’ experiences but also display Hawaii’s welcoming culture to all ethnicities.

Your Committees have amended this measure by adopting the proposed S.D. 1 and making further amendments by:

- (1) Including neighborhood boards and other applicable community organizations as additional organizations with which the Office of Planning is to coordinate in developing the master plan for Koreatown;
- (2) Providing the Office of Planning with more discretion in determining the specific elements to be included in the master plan;

- (3) Clarifying that the designation of a Koreatown in Hawaii is to highlight the cultural significant contributions of Koreans in Hawaii;
- (4) Extending the deadline for reporting to the Legislature to no later than twenty days prior to the convening of the Regular Session of 2014; and
- (5) Making technical, nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing and Tourism and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 104, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 104, S.D. 1.

Signed by the Senate President and Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 4 (Gabbard, Galuteria, Kahele, Tokuda).

SCRep. 3460 (Joint) Water, Land, and Housing and Agriculture on S.R. No. 28

The purpose and intent of this measure is to transfer all rights, powers, functions, and duties of the Hawaii Housing Finance and Development Corporation and the Hawaii Community Development Authority and functions relating to the State's geothermal resources to the Public Land Development Corporation.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review and comment. The proposed S.D. 1 deleted the contents of the measure and inserted language to:

- (1) Describe the Hawaii Agriculture Research Center (HARC) and the benefits of constructing a Kunia Agriculture Processing and Sales Center;
- (2) Acknowledge the efforts of HARC and urge the establishment of a Kunia Agriculture Processing and Sales Center;
- (3) Amend its title accordingly to read: "RECOGNIZING THE HAWAII AGRICULTURE RESEARCH CENTER FOR ITS BENEFITS TO THE AGRICULTURE INDUSTRY AND URGING THE HAWAII AGRICULTURE RESEARCH CENTER TO ESTABLISH THE PROPOSED KUNIA AGRICULTURE PROCESSING AND SALES CENTER"; and
- (4) Make technical, nonsubstantive amendments for the purposes of consistency and clarity.

Your Committees received testimony in opposition to the proposed S.D. 1 from two individuals. The Hawaii Community Development Authority (HCDA) submitted comments on the proposed S.D. 1.

Your Committees find that the Hawaii Agriculture Research Center (HARC) was founded in 1895 as the Hawaiian Sugar Planters' Association and has become an internationally recognized research center. Its name change in 1996 reflects its expanding scope to encompass research in forestry, coffee, forage, vegetable crops, tropical fruits, and many other diversified crops in addition to sugarcane. In 2008, HARC relocated its facilities to Kunia and has recently proposed the establishment of the Kunia Agriculture Processing and Sales Center. Your Committees commend HARC's service to Hawaii's agricultural industry and offer their support for its future endeavors.

Your Committees have 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 records of votes of the members of your Committees on Water, Land, and Housing and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 28, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 28, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Chun Oakland, Fukunaga, Kahele, Tokuda, Slom).

SCRep. 3461 (Joint) Water, Land, and Housing and Agriculture on S.C.R. No. 67

The purpose and intent of this measure is to transfer all rights, powers, functions, and duties of the Hawaii Housing Finance and Development Corporation and the Hawaii Community Development Authority and functions relating to the State's geothermal resources to the Public Land Development Corporation.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review and comment. The proposed S.D. 1 deleted the contents of the measure and inserted language to:

- (1) Describe the Hawaii Agriculture Research Center (HARC) and the benefits of constructing a Kunia Agriculture Processing and Sales Center;
- (2) Acknowledge the efforts of HARC and urge the establishment of a Kunia Agriculture Processing and Sales Center;
- (3) Amend its title accordingly to read: "RECOGNIZING THE HAWAII AGRICULTURE RESEARCH CENTER FOR ITS BENEFITS TO THE AGRICULTURE INDUSTRY AND URGING THE HAWAII AGRICULTURE RESEARCH CENTER TO ESTABLISH THE PROPOSED KUNIA AGRICULTURE PROCESSING AND SALES CENTER"; and
- (4) Make technical, nonsubstantive amendments for the purposes of consistency and clarity.

Your Committees received testimony in opposition to the proposed S.D. 1 from two individuals. The Hawaii Community Development Authority (HCDA) submitted comments on the proposed S.D. 1.

Your Committees find that the Hawaii Agriculture Research Center (HARC) was founded in 1895 as the Hawaiian Sugar Planters' Association and has become an internationally recognized research center. Its name change in 1996 reflects its expanding scope to

encompass research in forestry, coffee, forage, vegetable crops, tropical fruits, and many other diversified crops in addition to sugarcane. In 2008, HARC relocated its facilities to Kunia and has recently proposed the establishment of the Kunia Agriculture

Your Committees have 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 records of votes of the members of your Committees on 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. 67, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 67, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chun Oakland, Fukunaga, Kahele, Tokuda, Slom).

SCRep. 3462 (Joint) Water, Land, and Housing and Hawaiian Affairs on S.C.R. No. 166

The purpose and intent of this measure is to urge the Department of Land and Natural Resources to adopt rules to regulate and control the harvesting of opihi.

Your Committees received testimony in support of this measure from The Nature Conservancy and two individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources, University of Hawaii, and one individual.

Your Committees find that opihi picking is a dangerous activity, as reflected in the Native Hawaiian saying, "He i'a make ka 'opihī", which means "opihī is the fish of death". Between April 1999 and September 2001, there have been fifteen reported deaths resulting from the pursuit or picking of opihi from Hawaii's hazardous and unpredictable coastal areas. These opihi pickers have died from drowning, falling from cliffs, or in one case, getting stuffed into a blowhole by waves.

Your Committees further find that opihi populations have been severely depleted and opihi are becoming increasingly difficult to find. There now exists a danger of losing not only a unique maritime animal but also a connection to Hawaiian history and culture. It is critical that the State implement safeguards to sustain the opihi population for future generations.

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 concur with the intent and purpose of S.C.R. No. 166 and recommend its adoption.

Signed by the Senate President and Chair on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Galuteria, Kahele, Tokuda).

SCRep. 3463 (Joint) Water, Land, and Housing and Hawaiian Affairs on S.R. No. 96

The purpose and intent of this measure is to urge the Department of Land and Natural Resources to adopt rules to regulate and control the harvesting of opihi.

Your Committees received testimony in support of this measure from The Nature Conservancy and two individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources, University of Hawaii, and one individual.

Your Committees find that opihi picking is a dangerous activity, as reflected in the Native Hawaiian saying, "He i'a make ka 'opihī", which means "opihī is the fish of death". Between April 1999 and September 2001, there have been fifteen reported deaths resulting from the pursuit or picking of opihi from Hawaii's hazardous and unpredictable coastal areas. These opihi pickers have died from drowning, falling from cliffs, or in one case, getting stuffed into a blowhole by waves.

Your Committees further find that opihi populations have been severely depleted and opihi are becoming increasingly difficult to find. There now exists a danger of losing not only a unique maritime animal but also a connection to Hawaiian history and culture. It is critical that the State implement safeguards to sustain the opihi population for future generations.

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 concur with the intent and purpose of S.R. No. 96 and recommend its adoption.

Signed by the Senate President and Chair on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Galuteria, Kahele, Tokuda).

SCRep. 3464 (Joint) Hawaiian Affairs and Economic Development and Technology and Ways and Means on S.R. No. 51

The purpose and intent of this measure is to request the Senate Committees on Hawaiian Affairs and Economic Development and Technology to convene a special task force on Hawaiian historical sites preservation.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, 'Iolani Palace, and the Association of Hawaiian Civic Clubs.

Your Committees find that this measure convenes a task force to preserve Washington Place, 'Iolani Palace, Bernice Pauahi Bishop Museum, Hulihe'e Palace, and Mauna Ala, the Royal Mausoleum. Washington Place and 'Iolani Palace are National Historic Landmarks, the highest level of recognition for historic significance and integrity; and Bishop Museum, Hulihe'e Palace, and Mauna Ala appear on the National Register of Historic Places. Although your Committees believe that many other historical sites across the State merit preservation, the scope of the task force is limited to these five properties as exceptional sites for which funding and preservation should be a priority at this time.

Your Committees further recognize that ancient fishponds, cemeteries, and other sites throughout the State also reflect Hawaii's history and abundance of talented and energetic citizens. Although this measure does not include those sites, your Committees encourage the Legislature to take steps to address preservation of such sites in the future to promote pride in the history of our State.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Economic Development and Technology and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 51, S.D. 1, and recommend its adoption.

Signed by the Senate President and Chair on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 7 (Espero, Galuteria, Hee, Kahele, Kim, Kouchi, Tokuda).

SCRep. 3465 (Joint) Hawaiian Affairs and Economic Development and Technology and Ways and Means on S.C.R. No. 107

The purpose and intent of this measure is to request the Senate Committees on Hawaiian Affairs and Economic Development and Technology to convene a special task force on Hawaiian historical sites preservation.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, 'Iolani Palace, and the Association of Hawaiian Civic Clubs.

Your Committees find that this measure convenes a task force to preserve Washington Place, 'Iolani Palace, Bernice Pauahi Bishop Museum, Hulihe'e Palace, and Mauna Ala, the Royal Mausoleum. Washington Place and 'Iolani Palace are National Historic Landmarks, the highest level of recognition for historic significance and integrity; and Bishop Museum, Hulihe'e Palace, and Mauna Ala appear on the National Register of Historic Places. Although your Committees believe that many other historical sites across the State merit preservation, the scope of the task force is limited to these five properties as exceptional sites for which funding and preservation should be a priority at this time.

Your Committees further recognize that ancient fishponds, cemeteries, and other sites throughout the State also reflect Hawaii's history and abundance of talented and energetic citizens. Although this measure does not include those sites, your Committees encourage the Legislature to take steps to address preservation of such sites in the future to promote pride in the history of our State.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Economic Development and Technology and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 107, S.D. 1, and recommend its adoption.

Signed by the Senate President and Chair on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 7 (Espero, Galuteria, Hee, Kahele, Kim, Kouchi, Tokuda).

SCRep. 3466 (Joint) Water, Land, and Housing and Tourism and Transportation and International Affairs on S.C.R. No. 174

The purpose and intent of this measure is to urge the counties to revise laws to reflect strategic land use practices for main street redevelopment in existing towns that support public transportation and accommodate the growing population.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review and comment. The proposed S.D. 1 deleted the contents of this measure and inserted language to:

- (1) Describe the history of Koreans in Hawaii, Hawaii's integral role in the visa waiver program for Koreans, Korean tourism, and the potential for a Koreatown in Hawaii to serve as a gateway, financially and culturally, to other states and to the rest of the world;
- (2) Request the Office of Planning, with assistance from the City and County of Honolulu Department of Planning and Permitting, to develop a master plan for a Koreatown in Hawaii;
- (3) Request the Office of Planning to submit a report of its findings and recommendations to the Legislature; and
- (4) Amend the title accordingly to read: "URGING THE ESTABLISHMENT OF KOREATOWN AND DEVELOPMENT OF A MASTER PLAN FOR THE DEVELOPMENT OF KOREATOWN".

Your Committees received testimony in support of the proposed S.D. 1 from two individuals. Your Committees received testimony in opposition to the proposed S.D. 1 from the Office of Planning and City and County of Honolulu Department of Planning and Permitting.

Your Committees find that Koreans have had a long and diverse history in Hawaii and their influence continues to grow. On Oahu there is the Japanese Cultural Center, the Okinawan Center, Chinatown, and the Waipahu Filipino Community Center. Establishing a Koreatown would be the natural progression in acknowledging Koreans' contributions to Hawaii and add color and vibrancy to our environment for residents and visitors.

Your Committees understand that due to the economic crisis, Hawaii has struggled with lower tourism numbers. However, with Korea's recent inclusion in the visa waiver program, there has been a significant increase in Korean tourists, providing a much needed boost in Hawaii's economy. Establishing a Koreatown will enhance not only Korean tourists' experiences but also display Hawaii's welcoming culture to all ethnicities.

Your Committees have amended this measure by adopting the proposed S.D. 1 and making further amendments by:

- (1) Including neighborhood boards and other applicable community organizations as additional organizations with which the Office of Planning is to coordinate in developing the master plan for Koreatown;
- (2) Providing the Office of Planning with more discretion in determining the specific elements to be included in the master plan;
- (3) Clarifying that the designation of a Koreatown in Hawaii is to highlight the cultural significant contributions of Koreans in Hawaii;

- (4) Extending the deadline for reporting to the Legislature to no later than twenty days prior to the convening of the Regular Session of 2014; and
- (5) Making technical, nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing and Tourism and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 174, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 174, S.D. 1.

Signed by the Senate President and Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 4 (Gabbard, Galuteria, Kahele, Tokuda).

SCRep. 3467 Judiciary and Labor on Jud. Com. No. 6

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE FIRST CIRCUIT, STATE OF HAWAII

J.C. No. 6 SHIRLEY M. KAWAMURA, for a term to expire in six years.

Your Committee has reviewed the resume submitted by the appointee and finds Shirley M. Kawamura 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 Ms. Kawamura was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu and forty-one individuals. Comments were submitted by the Board of Directors of the Hawaii State Bar Association.

The Hawaii State Bar Association Board of Directors found the appointee to be qualified for the position of District Court Judge, First Circuit, based on established criteria for determining the qualifications of judicial and executive appointments generally using the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. Specifically, the Board uses the following criteria in its deliberations: 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 nominated. The Board's rating system includes the categories of "qualified" and "not qualified."

Ms. Kawamura received her Bachelor of Arts degree in Sociology at Brown University, and her Doctorate of Jurisprudence from Stanford Law School. She currently serves as an Associate Attorney with Kawashima Lorusso, LLP, focusing on the areas of personal injury; wrongful death; professional legal, accounting, broker, and medical malpractice; business, real estate, and contract disputes; and flood cases. She previously served as a Senior Felony Trial Deputy with the Office of the Public Defender. As a Deputy Public Defender, she researched, prepared, and argued appellate briefs and substantive motions; gained extensive bench and jury trial experience; and managed and directed hundreds of criminal cases to successful resolution in District, Family, and Circuit Courts of the State of Hawaii. Since August 2010, she has served as a Per Diem Judge for the District and Family Courts in the First Circuit.

Ms. Kawamura is licensed to practice law in Hawaii. She has previously served on the Legal Aid Board of Directors and as a member of the Defender Council. She also volunteers her time as a member of the Foster Parents Association and hopes to become a foster parent in the future.

Testimony in support of Ms. Kawamura's appointment commends her experience in the private and public sectors. Her strong litigation experience, including numerous criminal jury trials, serves her well in becoming an outstanding jurist. She has the sincerity, compassion, and people skills that distinguish her from many other candidates. She is hardworking, fair, and extremely knowledgeable about civil and criminal cases, and has been able to seamlessly transition from criminal law as a former Deputy Public Defender to an effective civil litigator. Lastly, as a Per Diem Judge, she has demonstrated that she is fully capable of meeting the high demands of a full-time District Court Judge.

As such, your Committee finds that, based on testimony submitted on her behalf, Shirley M. Kawamura has the experience, temperament, judiciousness, and other competencies to be a District Court Judge. She 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 Senate President on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 3468 Judiciary and Labor on Jud. Com. No. 7

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE FIRST CIRCUIT, STATE OF HAWAII

J.C. No. 7 PAUL B.K. WONG, for a term to expire in six years.

Your Committee has reviewed the resume submitted by the appointee and finds Paul B.K. Wong 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 Mr. Wong was submitted by the Department of the Prosecuting Attorney; Sex Abuse Treatment Center, a program of the Kapi'olani Medical Center for Women & Children; and eleven individuals. Comments were submitted by the Board of Directors of the Hawaii State Bar Association.

The Hawaii State Bar Association Board of Directors found the appointee to be qualified for the position of District Court Judge, First Circuit, based on established criteria for determining the qualifications of judicial and executive appointments generally using the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. Specifically, the Board uses the following criteria in its deliberations: 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 nominated. The Board's rating system includes the categories of "qualified" and "not qualified."

Mr. Wong received his Bachelor of Arts degree in Philosophy from the University of Southern California and his Doctorate of Jurisprudence from Boston College Law School. While in law school, he received the West Publishing Company Award for Significant Contribution to the Law School and served as President of the Asian Pacific American Law Students' Association.

Mr. Wong is licensed to practice law in Hawaii. He is currently a Partner at McCarriston Miller Mukai MacKinnon LLP where he specializes in general civil litigation, including contract and real property disputes, collection, construction litigation, summary possession, and tort litigation. He previously served as a Deputy Prosecuting Attorney for the Department of the Prosecuting Attorney of the City and County of Honolulu, where he became a specialized sex assault prosecutor and was very successful in helping the victims of sex assault.

Mr. Wong has served as a longstanding pro bono counsel for the Hawaii Sex Abuse Treatment Center. He has assisted the Center with complex situations involving victim rights as well as mediating sensitive issues. Through his work with the Center, he has demonstrated the capacity to hear the concerns of differing parties, think through the benefits and consequences for all involved, and present thoughtful compromises that have proven beneficial. As a result, the Center has been able to move forward on important issues and secure the confidence of those in the community.

Testifiers in support of Mr. Wong's appointment commend his excellent trial skills and understanding of the role that evidence, court rules, and case law play in the judicial process. As a deputy prosecutor, he consistently demonstrated compassion for victims while maintaining fairness in his dealings with defendants and the counsel in all phases of the criminal justice system. He maintains this fairness and even-handedness currently in private practice, encompassing both civil and criminal matters. Mr. Wong's overall demeanor and personality indicate that he would possess an even-handed and fair judicial temperament. Lastly, his high personal integrity and moral courage will serve him well in becoming an outstanding jurist.

As such, your Committee finds that, based on testimony submitted on his behalf, Paul B.K. Wong has the experience, temperament, judiciousness, and other competencies to be a District Court Judge. He 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 Senate President on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 3469 Health on Gov. Msg. Nos. 663, 664, 665, 666, 667, 668, 669, 670, and 671.

Recommending that the Senate advise and consent to the nominations of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

- G.M. No. 663 ED CHEVY, for a term to expire 6-30-2015;
- G.M. No. 664 DOROTHY FIFE, for a term to expire 6-30-2015;
- G.M. No. 665 ROBIN INABA, for a term to expire 6-30-2015;
- G.M. No. 666 ANN CHINEN ITO, for a term to expire 6-30-2014;
- G.M. No. 667 LANCE KANESHIRO, for a term to expire 6-30-2015;
- G.M. No. 668 TAMAR LANI, for a term to expire 6-30-2015;
- G.M. No. 669 GLENN NAKAMURA, for a term to expire 6-30-2014;
- G.M. No. 670 MICHAEL OKAMOTO, for a term to expire 6-30-2014; and
- G.M. No. 671 LAWRENCE SCADDEN, for a term to expire 6-30-2014,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Ed Chevy, Dorothy Fife, Robin Inaba, Ann Chinen Ito, Lance Kaneshiro, Tamar Lani, Glenn Nakamura, Michael Okamoto, and Lawrence Scadden to possess the requisite qualifications to be nominated to the Disability and Communication Access Board.

ED CHEVY

Your Committee received testimony in support of the nomination of Ed Chevy from the Disability and Communication Access Board and one individual.

Mr. Chevy has been an extremely active member of the deaf community for years. His community work includes past and present membership on several boards, including Hawaii Services on Deafness, Aloha State Association of the Deaf, and a prior term on the Disability and Communication Access Board. Mr. Chevy is also a member of a deaf rock band known as Beethoven's Nightmare, and is an active educator, speaker, and advocate at various venues. Mr. Chevy uses American Sign Language, has contributed to the

DOROTHY FIFE

Your Committee received testimony in support of the nomination of Dorothy Fife from the Disability and Communication Access Board.

Ms. Fife is currently a manager at the City and County of Honolulu's Work Hawaii program and was a former administrator at the YWCA. She has nearly twenty years of experience in administration and has much to share with regard to her professional expertise regarding employment, particularly employment for individuals with disabilities. Ms. Fife currently represents the blind and visually impaired community on the Disability and Communication Access Board.

ROBIN INABA

Your Committee received testimony in support of the nomination of Robin Inaba from the Disability and Communication Access Board.

Ms. Inaba is a licensed architect and has been involved in the design and construction of health care, resort, food service, retail, and office facilities that have required compliance with the Americans with Disabilities Act of 1990. Ms. Inaba represents the island of Hawaii, is an avid proponent of accessible design, and has attended all of the Disability and Communication Access Board's design-related conferences and trainings. She has served as an interim appointee to the board and participated consistently and enthusiastically on the board's Standing Committee on Facility Access based on her experiences in all aspects of the design and construction of the built environment.

ANN CHINEN ITO

Your Committee received testimony in support of the nomination of Ann Chinen Ito from the Disability and Communication Access Board, Library for the Blind & Physically Handicapped, and four individuals.

Ms. Ito is the Director of the KOKUA Program, which provides services to facilitate students with disabilities at the University of Hawaii at Manoa. In 1996, she received the Willard Wilson Distinguished Service Award for her perseverance and success in building the KOKUA Program from a student volunteer activity to an integral facet of the university's structure based on respect for the individual. Ms. Ito is currently a holdover member on the board and represents individuals who are blind or have low vision.

LANCE KANESHIRO

Your Committee received testimony in support of the nomination of Lance Kaneshiro from the Disability and Communication Access Board.

Mr. Kaneshiro is a licensed architect who is also the Chair of the Standing Committee on Facility Access for the Disability and Communication Access Board. His architectural expertise has been extremely valuable in policy decisions, setting guidelines, interpretive options, and recommendations on key issues, including the new State Building Code.

TAMAR LANI

Your Committee received testimony in support of the nomination of Tamar Lani from the Disability and Communication Access Board and one individual.

Ms. Lani is a nationally certified sign language interpreter with fifteen years of professional experience, including ownership of a video relay service and video relay interpreting service for deaf and hard-of-hearing consumers. The latter professional experience will be especially useful as the board will be reviewing the many new rules relating to technology and communication access. Ms. Lani has served for a year as an interim appointee and is married to a deaf consumer. There are currently no interpreters, captioners, or interpreter educators serving on the advisory board, and Ms. Lani offers a perspective that is not otherwise represented by the present appointees.

GLENN NAKAMURA

Your Committee received testimony in support of the nomination of Glenn Nakamura from the Disability and Communication Access Board.

Mr. Nakamura has over thirty years of experience in management, including positions as a store manager, operations manager, and human resources director, which have frequently brought him into contact with civil rights laws. Further, as an individual who has a disability and as a user of accessible parking spaces, Mr. Nakamura has been a strong advocate for appropriate parking stall design. Mr. Nakamura has been an interim appointee since 2011 and a very active member of the Standing Committee on Parking.

MICHAEL OKAMOTO

Your Committee received testimony in support of the nomination of Michael Okamoto from the Disability and Communication Access Board, Next Design LLC, and one individual.

Mr. Okamoto is a licensed architect and has nineteen years of experience. Throughout his career, accessibility has always been an integral part of all his design projects. Mr. Okamoto has served as an interim appointee on the Disability and Communication Access Board and has been very active in matters related to facility access. His experience working on residential, commercial, health care, educational, and other types of new and renovated facilities has made him intimately familiar with the Americans with Disabilities Act's Standards for Accessible Design.

LAWRENCE SCADDEN

As a retired research scientist and administrator, Dr. Scadden remains one of the nation's foremost resources regarding technology for persons with disabilities. He has worked at many prestigious facilities, including the Smith-Kettlewell Eye Research Institute, United States Department of Education's National Institute on Disability and Rehabilitation Research, Electronic Industries

Foundation, and National Science Foundation, all of which has provided him with a preeminent breadth of knowledge. Blind since age five, Dr. Scadden represents consumers who are blind or have low vision and also represents the island of Hawaii.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Slom).

SCRep. 3470 Commerce and Consumer Protection on Gov. Msg. Nos. 768 and 769.

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 768 GABRIEL LEE, for a term to expire 6-30-2016; and

G.M. No. 769 GREGG TAKETA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Gabriel Lee and Gregg Taketa 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 Gabriel Lee from the Department of Commerce and Consumer Affairs, Hawaii Society of Certified Public Accountants Board of Directors, and four individuals.

Upon review of the testimony, your Committee finds that Mr. Lee's professional experience and desire to contribute to the community qualify him to serve as a public member of the State Board of Public Accountancy. Your Committee notes that Mr. Lee is a commercial banker, has many years of experience working with certified public accountants, and is uniquely qualified as a public member to bring a corporate customer perspective to the State Board of Public Accountancy. Mr. Lee has demonstrated his commitment to public service and his leadership abilities by virtue of his experience on the board of directors of several nonprofit organizations and his prior service as Chair of the Board of Directors of Hawaii Dental Service. Your Committee further finds that Mr. Lee's knowledge, background, and commitment to promoting high professional standards and protecting the interests of the public will be valuable assets to the State Board of Public Accountancy.

Your Committee received testimony in support of the nomination of Gregg Taketa from the Department of Commerce and Consumer Affairs; Hawaii Association of Public Accountants; Niwao & Roberts, CPAs; and sixteen individuals.

Upon review of the testimony, your Committee finds that Mr. Taketa's professional background and history of community service qualify him to serve as a Certified Public Accountant member of the State Board of Public Accountancy. Your Committee notes that Mr. Taketa has practiced public accounting for over three decades, is a partner in one of the largest neighbor island Certified Public Accountant firms, and has extensive experience providing audit, accounting, and tax services to businesses, nonprofit organizations, and individuals. Mr. Taketa also has a strong history of community service and is active in a number of professional organizations, including prior service as President of the Hawaii Association of Public Accountants. Your Committee further finds that Mr. Taketa's knowledge, experience, commitment to protecting the State's consumers, and valuable neighbor island perspective will enhance the effectiveness of the State Board of Public Accountancy.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Solomon, Slom).

SCRep. 3471 Energy and Environment on Gov. Msg. Nos. 784, 785, 786, 787, and 788.

Recommending that the Senate advise and consent to the nominations of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 784 MARK AMBLER, for a term to expire 6-30-2016;

G.M. No. 785 KOALANI KAULUKUKUI, for a term to expire 6-30-2016;

G.M. No. 786 AZITA QUON, for a term to expire 6-30-2016;

G.M. No. 787 JOHN RICHARDS, for a term to expire 6-30-2016; and

G.M. No. 788 GLENN TEVES, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Mark Ambler, Koalani Kaulukukui, Azita Quon, John Richards, and Glenn Teves to possess the requisite qualifications to be nominated to the Environmental Council.

MARK AMBLER

Your Committee received testimony in support of the nomination of Mark Ambler from the Office of Environmental Quality Control; General Contractors Association of Hawaii; Building Industry Association of Hawaii; S&M Sakamoto, Inc.; Weston Solutions, Inc.; Hawaii Solar Energy Association; Grace Pacific Corporation; King & Neel, Inc.; and five individuals.

Your Committee finds that Mr. Ambler is a Senior Project Engineer at Weston Solutions, Inc., and a Professional Engineer licensed in the State of Hawaii. The nominee also has a Project Management Professional certification. Mr. Ambler was formerly a Project Manager at Clean Air Engineering, Inc., and received his engineering degree from the University of Illinois at Urbana-Champaign.

Mr. Ambler has supported and championed implementation of sustainable concepts such as Green Roofs and Green Remediation in Hawaii and has shared those positive examples across the country. In his professional capacity, Mr. Ambler served as an environmental engineer and consultant to a resort development that implemented Hawaii's first large commercial Green Roof project.

KOALANI KAULUKUKUI

Your Committee received testimony in support of the nomination of Koalani Kaulukukui from the Office of Environmental Quality Control; Office of Hawaiian Affairs; The Trust for Public Land; Earth Corps, Hawaiian Hui; Ho'okipa Network - Kaua'i; Conservation Council for Hawai'i; Mauna Kea Anaina Hou; and thirty-four individuals.

Your Committee finds that Ms. Kaulukukui is a land management specialist at the Office of Hawaiian Affairs and an attorney licensed to practice in the State of Hawaii. The nominee has also worked for the Department of Land and Natural Resources; United States Environmental Protection Agency, Region IX; and the non-profit environmental law firm EarthJustice. As a policy advocate at the Office of Hawaiian Affairs in 2006, the nominee reviewed and commented on environmental assessments and environmental impacts statements.

Ms. Kaulukukui received her Juris Doctorate with a Certificate in Environmental Law from the University of Hawaii William S. Richardson School of Law. During her spare time, the nominee serves on the boards of two local non-profit organizations dedicated to the natural and cultural resources of Hawaii and on the state Forest Stewardship Advisory Committee.

AZITA QUON

Your Committee received testimony in support of the nomination of Azita Quon from the Office of Environmental Quality Control, United Association of Plumbers and Fitters Local 675, Mikiko Corporation, and eight individuals.

Your Committee finds that Ms. Quon is a registered architect in the State of Hawaii and holds a certification in Leadership in Energy and Environmental Design. The nominee has a Bachelor of Science degree in architecture from the University of Oregon. Ms. Quon has worked for the firms of Wimberly, Allison, Tong, and Goo, Inc., and Architects Hawaii, Ltd., in her twenty-five year career as an architect and planner in Hawaii.

Most recently, Ms. Quon has worked on the master planning to accommodate the redeployment of United States Marines from Okinawa to Guam. As a result of this experience, the nominee gained a deeper understanding of the federal environmental review process. The nominee has also implemented sustainable architectural approaches in the Lanikea complex, the Moana Pacific, and a number of resorts.

JOHN RICHARDS

Your Committee received testimony in support of the nomination of John Richards from the Office of Environmental Quality Control, and one individual.

Your Committee finds that Mr. Richards is a rancher from Hawaii County. He is currently a partner in Waimea Water Services, LLC, and was formerly the Operations Manager at Kahua Ranch Limited for twelve years. His previous experience includes five years of service in the United States Army, which comprised experience as a Platoon Leader and Operations Officer. Mr. Richards holds a Bachelor of Science in Animal Science from Washington State University and has received various infantry-related training from the United States Army.

Mr. Richards is seeking a reappointment to the Environmental Council. The nominee's first four-year term on the Environmental Council expires on June 30, 2012. During his first term, Mr. Richards proved himself to be a reliable, thoughtful, and valuable contributing member of the Environmental Council.

GLENN TEVES

Your Committee received testimony in support of the nomination of Glenn Teves from the Office of Environmental Quality Control, Office of Hawaiian Affairs, Hawaii's Thousand Friends, Hawai'i Land Restoration Institute, Conservation Council for Hawai'i, The Kohala Center, and fifteen individuals.

Your Committee finds that the nominee is employed by the University of Hawaii College of Tropical Agriculture and Human Resources as a County Extension Agent on the island of Molokai. Mr. Teves is a graduate of public schools, Kamehameha Schools, and the University of Hawaii at Manoa, where he studied ethnobotany, entomology, the Hawaiian environment, plant pathology, and plant breeding. The nominee also serves as Farm Coordinator for the Mamalahoa Project in Waimanalo.

Mr. Teves is descended from a family of ranchers. He is committed to environmental issues as demonstrated through his scholarship on taro and lei plants and his service as an expert witness in contested case proceedings. Mr. Teves has lived on the island of Molokai for the last thirty years, where he farms Hawaiian homelands, raising apple bananas and taro.

As affirmed by the records of votes of the members of your Committee on Energy and Environment that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

SCRep. 3472 Education on Gov. Msg. Nos. 811, 812, 815, and 816.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 811 JEFFREY ACIDO, for a term to expire 6-30-2014;

G.M. No. 812 CARL CARLSON, JR., for a term to expire 6-30-2016;

G.M. No. 815 BARRY MIZUNO, for a term to expire 6-30-2013; and

G.M. No. 816 TOM SHIGEMOTO, for a term to expire 6-30-2017,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Jeffrey Acido; Carl Carlson, Jr.; Barry Mizuno; and Tom Shigemoto to possess the requisite qualifications to be nominated to the University of Hawaii Board of Regents.

JEFFREY ACIDO

Your Committee received testimony in support of the nomination of Jeffrey Acido from the Governor, UNITE HERE Local 5, and seventeen individuals. Your Committee received testimony in opposition to the nomination of Jeffrey Acido from one individual.

Your Committee finds that Jeffrey Acido is the nominee for the student representative on the Board of Regents. Mr. Acido attended Honolulu Community College and later transferred to the University of Hawaii at Manoa where he received a Bachelor's degree in Religion. Mr. Acido earned a Master's degree in Theology while studying at a seminary in Berkley, California. Mr. Acido is currently a graduate student at the University of Hawaii at Manoa and is working toward a Master's degree in Asian Studies focusing on the Philippines.

Mr. Acido is a lecturer at the University of Hawaii at Manoa, where he teaches Philippine Popular Culture for the Ilokano Program. Mr. Acido testified that he receives graduate school credits in exchange for teaching. Mr. Acido is also an assistant researcher with the Asian American Network for Cancer Awareness, Research, and Training at the University of Hawaii.

Mr. Acido is active in the community. He has served as the program director of Nakem Youth, an organization that promotes social justice, faith, and community. Mr. Acido has also served as a board member of Hawaii Peace and Justice. He has also spent many hours volunteering at his alma mater, Farrington High School, teaching students about the history of Pearl Harbor, as well as about sustainable energy and food production. While he has not been a formal member of the University of Hawaii's Graduate Student Organization, Mr. Acido testified that he has participated with the organization in an informal capacity.

Mr. Acido testified that he will seek advice and counsel to ensure that there is no conflict of interest with his position as a lecturer in his role as the Board of Regent's student representative.

Mr. Acido's educational and personal experiences have given him a deep appreciation for Hawaii's university system and an understanding of the challenges and obstacles it faces. The Board of Regents will benefit from Mr. Acido's service as the Board of Regent's student representative.

CARL CARLSON, JR.

Your Committee received testimony in support of the nomination of Carl Carlson, Jr., from the Governor, County of Hawaii, Hawaii Cattlemen's Council, and twenty individuals.

Your Committee finds that Carl Carlson, Jr., received a Bachelor's degree from California State Polytech University, San Luis Obispo.

Mr. Carlson is the founder of Hu'ehu'e Ventures, a firm that provides real estate consulting and agricultural property management services. After serving Hu'ehu'e Ventures for twenty years, Mr. Carlson served as a trustee of the Parker Ranch Foundation Trust. He has also served as a board member of Waimea Wastewater, Inc.; Hawaii Meat Company, Inc.; Kahua Beef Sales, Ltd.; and Island Commodities Corporation.

Mr. Carlson is active in community and governmental affairs. Mr. Carlson has served as the Chair of the County of Hawaii Board of Ethics and as a member of the Board of Agriculture, Historic Hawaii Foundation, and The Nature Conservancy of Hawaii.

Mr. Carlson testified that one of his short-term goals as a member of the Board of Regents is to see an increase in graduation rates within the University of Hawaii System. Mr. Carlson further testified that as a member of the Board of Regents, he would continue to assist the University of Hawaii System in meeting the goals laid out in the System's strategic plan. Mr. Carlson also expressed his interest in seeing the University of Hawaii System grow as an economic engine for the State.

Your Committee believes that Mr. Carlson's outstanding leadership and business acumen will continue to serve him well as a member of the Board of Regents.

BARRY MIZUNO

Your Committee received testimony in support of the nomination of Barry Mizuno from the Governor; County of Hawaii; ILWU Local 142, Hawaii Division; Hawaii Island Chamber of Commerce; Hawaii Leeward Planning Conference; Hawaii Island Economic Development Board; and fourteen individuals.

Mr. Mizuno is a licensed certified public accountant. He is also the founder of BTM, LLC, an energy management consulting firm. Prior to forming BTM, LLC, Mr. Mizuno was the Financial Manager of Puna Geothermal Venture. He continues to serve as a consultant to Puna Geothermal Venture's successor Ormant Technologies. Mr. Mizuno also served as the Managing Director and the Finance Director of the County of Hawaii.

Mr. Mizuno is an active member of the Hawaii Island community. He volunteers his time raising money for Hospice of Hilo and has helped to manage a \$16,000,000 grant awarded to Hawaii Island Beacon Community, which uses information technology to improve

health care. Mr. Mizuno is also a member of the Hawaii Island United Way, Hawaii Leeward Planning Conference, and Hawaii Island Economic Development Board.

Mr. Mizuno testified that the economic viability of the University of Hawaii System is vital to the economic growth of the State. His insight, creativity, and skills in the area of finance and strategic planning will serve as important assets in the growth and development of the University of Hawaii System.

Mr. Mizuno has served as a member of the Board of Regents in an interim capacity since August 2011 and your Committee believes that the Board of Regents will benefit from Mr. Mizuno's continued service.

TOM SHIGEMOTO

Your Committee received testimony in support of the nomination of Tom Shigemoto from the Governor; Mayor of the County of Kauai; Kauai Economic Development Board, Inc.; Local School Board of Kawaikini New Century Public Charter School; General Contractors Association of Hawaii; and fifty-six individuals.

Your Committee finds that Tom Shigemoto received a Bachelor's degree in Urban and Regional Design from the University of Hawaii at Manoa.

Mr. Shigemoto has extensive experience in land use and planning. He served as a Staff Planner, Deputy Planning Director, and Planning Director for the Kauai County Planning Department. He has also served as a Planning Director for the Princeville Corporation and as the Vice President of Planning for Alexander and Baldwin Properties, Inc. Mr. Shigemoto has worked for Alexander and Baldwin Properties, Inc., for over twenty years.

Mr. Shigemoto is also an active member of many non-profit community organizations, including the Kauai United Way, Boy Scouts of America, Kauai Chamber of Commerce, and American Red Cross.

Mr. Shigemoto testified that his short-term goal as a member of the Board of Regents is to enhance the distance learning capabilities of the University of Hawaii System for the benefit of the neighbor islands. Mr. Shigemoto also testified that he believes it is incumbent upon the Board of Regents to promote and support innovative ways for all of the campuses within the University of Hawaii System to enhance their revenue base, encourage more research grant applications, invest in physical improvements, and support multicultural programs.

Your Committee finds that Mr. Shigemoto's unique background in the private and public sector make him an excellent addition to the Board of Regents.

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. 3473 Education on Gov. Msg. Nos. 813 and 814.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 813 JOHN DEAN, for a term to expire 6-30-2017; and

G.M. No. 814 BENJAMIN KUDO, for a term to expire 6-30-2017,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds John Dean and Benjamin Kudo to possess the requisite qualifications to be nominated to the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of the nomination of John Dean from the Governor and sixty-three individuals.

Your Committee finds that John Dean is a graduate of Holy Cross College. He received his Master of Business Administration degree from the Wharton School of Business at the University of Pennsylvania.

Mr. Dean is currently the President and Chief Executive Officer of Central Pacific Financial Corp. and Central Pacific Bank.

Your Committee further finds that Mr. Dean has a strong personal interest in education and improving and supporting the University of Hawaii. Mr. Dean serves as a member of the Advisory Council of the University of Hawaii's Shidler College of Business and a member of the Advisory Board of the Pacific Asian Center for Entrepreneurship. He is also the founder of the Kipapa I Ke Ala Lecture Series at the University of Hawaii's Shidler College of Business.

Your Committee received testimony in support of the nomination of Benjamin Kudo from the Governor, The Pacific Resource Partnership, Japanese American Citizens League, and forty-one individuals.

Your Committee finds that Benjamin Kudo received a Bachelor's degree in Mechanical Engineering from the University of Washington. Mr. Kudo received a Master of Business Administration degree and Doctorate of Philosophy in Business from the University of Hawaii Shidler College of Business. Mr. Kudo received a Juris Doctorate from Georgetown University.

Mr. Kudo is currently the Chief Financial Officer and Manager of the land use, administrative and environmental law group at the law firm of Imanaka, Kudo, and Fujimoto. Mr. Kudo also heads the Pacific-Asia practice for his law firm.

Mr. Kudo has also served as a lecturer at the University of Hawaii William S. Richardson School of Law and an instructor at the University of Hawaii Shidler College of Business. Mr. Kudo has served as a lecturer in business law at the University of Hawaii West

Oahu since 2009. Mr. Kudo testified that if it is found that there is a conflict of interest in serving on the Board of Regents due to his position as a lecturer at the University of Hawaii West Oahu, he is willing to resign as a lecturer.

Mr. Kudo's experiences as a student and a teacher at the University of Hawaii will provide him with a unique perspective as a member of the Board of Regents and will help him to create better solutions to the challenges facing the University of Hawaii.

Mr. Kudo's long-term goal as a member of the Board of Regents is to enhance the University of Hawaii's reputation in key areas of academic study. Mr. Kudo believes that focusing on technology and innovation will greatly benefit the University of Hawaii.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Nishihara).

SCRep. 3474 Health on Gov. Msg. Nos. 699, 700, 702, 703, 704, and 705.

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, HONOLULU SUBAREA

- G.M. No. 699 JOSEPH BURKE, for a term to expire 6-30-2015;
- G.M. No. 700 DEBORAH JUAREZ, for a term to expire 6-30-2015;
- G.M. No. 702 JONAGUSTINE LIM, for a term to expire 6-30-2016;
- G.M. No. 703 ROBERTA LOVELY, for a term to expire 6-30-2015;
- G.M. No. 704 CRAIG NAKAMOTO, for a term to expire 6-30-2016; and
- G.M. No. 705 LIZA SIMON-TUIOLOSEGA, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Joseph Burke, Deborah Juarez, Jonagustine Lim, Roberta Lovely, Craig Nakamoto, and Liza Simon-Tuiolosega to possess the requisite qualifications to be nominated to the Health Planning Council, Honolulu Subarea.

JOSEPH BURKE

Your Committee received testimony in support of the nomination of Joseph Burke from the Department of Health and one individual.

Mr. Burke is a District Business Manager for Pfizer/Wyeth and manages twelve sales representatives who cover therapeutic fields ranging from antibiotics to neuroscience. He has worked in the pharmaceutical industry for over twenty years and has won Pfizer's President's Recognition Award, presented to the top five percent of district managers across the nation, four times. Mr. Burke has also worked for various innovative information technology firms such as IBM, ICL/Fujitsu, and Wang Laboratories, Inc., in marketing and sales.

DEBORAH JUAREZ

Your Committee received testimony in support of the nomination of Deborah Juarez from the Department of Health and four individuals.

Ms. Juarez is an Associate Professor at the University of Hawaii, College of Pharmacy and has previous experience teaching health policy, health economics, pharmacoeconomics, and cost-effectiveness analysis at the university. She has a Doctorate in health economics and a Master's degree in public policy with a focus on domestic policy issues and is working on several funded research projects to reduce health disparities among Asians and Pacific Islanders in Hawaii. Given the knowledge garnered by a breadth of educational and professional experiences, Ms. Juarez will undoubtedly provide much insight to the council.

JONAGUSTINE LIM

Your Committee received testimony in support of the nomination of Jonagustine Lim from the Department of Health and two individuals.

Mr. Lim is the President of LimPacific, Inc., an information technology company that has provided consulting, management, and computer and networking support services for various agencies and organizations including the Department of Accounting and General Services, University of Hawaii, and the American Chamber of Commerce in Shanghai, China. Mr. Lim has served on the Health Planning Council for a four-year term and is the current Chair. Mr. Lim brings expertise in a field that is critical to modern, effective health care for the benefit of the council.

ROBERTA LOVELY

Your Committee received testimony in support of the nomination of Roberta Lovely from the Department of Health and four individuals.

Ms. Lovely is a Special Projects Administrator for Liberty Dialysis-Hawaii LLC and has worked in the health care industry for over thirty years. Prior to her current position, she worked for over twenty years at St. Francis Medical Center in various capacities. She earned her Master's degree in public health and a Bachelor's degree in nursing. With experience in acute care, intensive care nursing and administration, and hospital administration, Ms. Lovely will be able to provide administrative and practitioner perspectives.

CRAIG NAKAMOTO

Your Committee received testimony in support of the nomination of Craig Nakamoto from the Department of Health and nine individuals.

Mr. Nakamoto is the Health and Regulatory Counsel for the Kaiser Foundation Health Plan, Inc., and handles compliance, regulatory, privacy, scope of practice, real estate, and facility issues. He was formerly the Director of Communications for the Hawaii Community Development Authority, an associate with Hisaka Yoshida & Cosgrove, Attorneys at Law, a Law Corporation, and has held various legal counsel or compliance positions with The Queen's Health Systems for over ten years. Mr. Nakamoto's many years of experience relating to the legal aspects of health care will be of critical service to the council.

LIZA SIMON-TUIOLOSEGA

Your Committee received testimony in support of the nomination of Liza Simon-Tuiolosega from the Department of Health and two individuals.

Ms. Simon-Tuiolosega is a Media Specialist and Student Support Specialist in the Office of Student Equity, Excellence, and Diversity (SEED) at the University of Hawaii at Manoa and has more than twenty years of journalistic experience and nearly ten years of government service. Over the course of her career, she has researched and published several articles on health care as it relates to Native Hawaiians. Furthermore, she is skilled in building partnerships between the public and government, and her work has garnered several awards, including multiple accolades from the Hawaii Chapter of the Society of Professional Journalists. Ms. Simon-Tuiolosega's interest in health care and unique background in journalism will further diversify and benefit the council and its efforts to improve health care in the State.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 3475 Health on Gov. Msg. Nos. 680, 681, 682, 683, 684, 685, and 687.

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII HEALTH AUTHORITY

- G.M. No. 680 NATHAN CHANG, for a term to expire 6-30-2015;
- G.M. No. 681 RITABELLE FERNANDES, for a term to expire 6-30-2015;
- G.M. No. 682 REYNALDO GRAULTY, for a term to expire 6-30-2015;
- G.M. No. 683 STEPHEN KEMBLE, for a term to expire 6-30-2015;
- G.M. No. 684 SEUNGTAI PETER KIM, for a term to expire 6-30-2015;
- G.M. No. 685 MARION POIRIER, for a term to expire 6-30-2015; and
- G.M. No. 687 JORY WATLAND, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Nathan Chang, Ritabelle Fernandes, Reynaldo Gaulty, Stephen Kemble, Seungtai Peter Kim, Marion Poirier, and Jory Watland to possess the requisite qualifications to be nominated to the Hawai'i Health Authority.

NATHAN CHANG

Your Committee received testimony in support of the nomination of Nathan Chang from one individual.

Mr. Chang is a social worker who, in addition to running his own private practice as a therapist and consultant, was previously employed by Catholic Charities Hawaii for fourteen years and specialized in child protective services and family counseling. For the past twenty-three years, he has worked as an instructor, Chair of the social work program, and Education Specialist at the University of Hawaii's School of Social Work. Your Committee is confident that Mr. Chang's experiences in the academic, private, and public sectors as well as his commitment to social and economic justice will enable him to make numerous contributions to the Hawai'i Health Authority.

RITABELLE FERNANDES

Your Committee did not receive any testimony on Ritabelle Fernandes.

Dr. Fernandes is a physician who works with many low-income minority or immigrant individuals at Kokua Kalihi Valley (Comprehensive Family Services) and Kalihi-Palama Health Center. She is also a clinical associate professor in the Department of Geriatric Medicine, John A. Burns School of Medicine, and a volunteer physician with the Department of Health's Oahu Medical Reserve Corps, among many other things. Dr. Fernandes has worked to develop programs to improve medical services for hard-to-reach populations, helped to establish clinics based in public housing, and was fundamental in the institution of a home-visit program for medical students to learn home-based palliative care.

REYNALDO GRAULTY

Your Committee received testimony in support of the nomination of Reynaldo Gaulty from three individuals.

Judge Grauly is a retired judge who currently has a private law practice serving as a mediator and arbitrator. Judge Grauly was a member of the State Senate and the State House of Representatives for four years each, after which he served as the Insurance Commissioner then accepted a position in the First Circuit Court. Judge Grauly's vast repertoire of legal and governmental experience make him well-qualified to be a part of the Hawai'i Health Authority and to face the challenge of addressing rising health costs in conjunction with the need to provide affordable quality health care throughout the State.

STEPHEN KEMBLE

Your Committee received testimony in support of the nomination of Stephen Kemble from the Hawaii Medical Association and two individuals.

Dr. Kemble has been practicing as a psychiatrist in Honolulu since 1985 and has worked in private practice and at The Queen's Medical Center's Queen Emma Clinics. He received his Doctor of Medicine degree from Harvard Medical School and has training in internal medicine and psychiatry. Dr. Kemble has been involved in peer review for hospitals and health plans and served for fourteen years on the Board of Directors of the Mountain-Pacific Quality Health Foundation, the Medicare quality improvement organization for Alaska, Hawaii, Montana, and Wyoming. Dr. Kemble also served on Governor Abercrombie's Health Care Task Force and has a long history of advocating for and addressing health care issues.

SEUNGTAI PETER KIM

Your Committee received testimony in support of the nomination of Seungtai Peter Kim from one individual.

Dr. Kim is a private practice psychiatrist who was previously a professor of psychiatry at the University of Hawaii at Manoa. Dr. Kim has doctoral degrees in medicine and psychiatry and Master's degrees in medical science and business administration. Dr. Kim served on the Statewide Health Coordinating Council prior to being invited to serve on the Hawai'i Health Authority and was the founding Chair of the Neuropsychiatry Department of Samsung Medical Center in Seoul, Korea, where he provided consultations on national health policy development.

MARION POIRIER

Your Committee received testimony in support of the nomination of Marion Poirier from the Hawaii Disability Rights Center and nine individuals.

Ms. Poirier is a registered nurse with a Master's degree in health care administration. She is also a health care consultant and served as the Executive Director of the National Alliance on Mental Illness Hawaii for twelve years, the Hawai'i Nurses' Association Office and Professional Employees International Union Local 50 for five years, and the Hawaii Hemophilia Foundation for ten years. She has been named the Nurse Administrator of the Year and has been recognized by the American Psychological Association for her work in mental health parity. Ms. Poirier's capabilities in working with mental and physical health from an administrative and practitioner standpoint will be of much benefit to the authority.

JORY WATLAND

Your Committee did not receive any testimony on Jory Watland.

Mr. Watland is a former parish pastor and chaplain who was most recently the Executive Director of Kokua Kalihi Valley (Comprehensive Family Services). He also has business interests that are largely related to real estate. Mr. Watland has a long history of community service through membership on the boards of many health-related organizations including the American Red Cross, American Cancer Society, Hawaii Primary Care Association, and AlohaCare.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Slom).

SCRep. 3476 (Majority) Water, Land, and Housing on Gov. Msg. Nos. 754 and 755.

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON WATER RESOURCE MANAGEMENT

G.M. No. 754 JONATHAN STARR, for a term to expire 6-30-2016; and

G.M. No. 755 TED YAMAMURA, for a term to expire 6-30-2016 (term amended to 6-30-2015 by GM921),

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Jonathan Starr and Ted Yamamura to possess the requisite qualifications to be nominated to the Commission on Water Resource Management.

Your Committee received testimony in support of the nomination of Jonathan Starr from the Governor, Department of Land and Natural Resources, Department of Budget and Finance, People Aligned in Positive Action, Hawaii Farmers Union United, Trilogy Corporation, Maui Venture Consulting LLC, Pacific Biodiesel Technologies, PAHIO Development, Inc., Greenleaf Farm, Maui Tomorrow, Walkable and Livable Communities Institute, Whispering Winds Bamboo Inc., Ohialani Gardens, Olinda Organic Farm, and twenty-four individuals. Testimony in opposition to the nomination of Jonathan Starr was received from one individual. The Office of Hawaiian Affairs submitted comments.

Mr. Starr has over forty years of experience in water source development and resource management projects. Additionally, he studied and has expertise in traditional Hawaiian and Polynesian water resource management techniques. He is also active in his

community, having served a four-year term on the Maui Board of Water Supply and a five-year term on the Maui Planning Commission, including two years as the Commission's Chairperson. His background and experience have made him a sought-after speaker throughout Hawaii on the subject of water law, history, equity, technology, and resource protection for numerous organizations.

Your Committee received testimony in support of the nomination of Ted Yamamura from the Governor, Department of Land and Natural Resources, Department of Budget and Finance, Department of Agriculture, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Land Use Research Foundation, Pacific Resource Partnership, Island Insurance Companies, PAHIO Development, Inc., SSFM International, Hawaii Aquaculture and Aquaponics Association, McCandless Ranch, Maui Cattlemen's Council, Maui Hotel & Lodging Association, and fifty-one individuals. Testimony in opposition to the nomination of Ted Yamamura was received from Earthjustice, Native Hawaiian Legal Corporation, and forty individuals. The Office of Hawaiian Affairs and two individuals submitted comments.

Mr. Yamamura is one of the founders of ACM Consultants, Inc., which is one of the largest and most experienced independent real estate consulting, valuation, and research companies in Hawaii. In addition to his work experience, Mr. Yamamura is actively involved in his community. He has been a past member of the Board of Land and Natural Resources from 2001-2006, former president of the International Right of Way Association, Hawaii Chapter No. 30 in 2004, member of the County of Maui Board of Water Supply since 2008, and the past president of the Hawaii Chapter of the Appraisal Institute in 2010. With his work experience and community involvement, Mr. Yamamura will bring valuable insights to the issues before the Commission on Water Resource Management.

As numerous testifiers have indicated that the nomination process is in need of review, your Committee recommends a review of the existing nomination process for subsequent sessions. However, at this time your Committee is limited to addressing only the candidates that are put forth for nomination in this measure and finds both nominees qualified to serve on the Commission on Water Resource Management.

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.

Record of votes for Gov. Msg. No. 754:

Ayes, 7. Noes, none. Excused, none.

Signed by the Chair on behalf of the Committee.

Record of votes for Gov. Msg. No. 755:

Ayes, 6, Ayes with Reservations (Shimabukuro). Noes, 1 (Fukunaga). Excused, none.

SCRep. 3477 Public Safety, Government Operations, and Military Affairs on Gov. Msg. No. 629.

Recommending that the Senate advise and consent to the nomination of the following:

COMPTROLLER OF THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

G.M. No. 629 DEAN SEKI, for a term to expire 12-1-2014,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Dean Seki to possess the requisite qualifications to be nominated as the Comptroller of the Department Of Accounting and General Services.

Your Committee received testimony in support of Dean Seki from the Governor; Department of Transportation; Department of Agriculture; Department of Accounting and General Services; Department of Human Resources Development; State Adjutant General; Department of Taxation; Department of Budget and Finance; Department of Transportation; Office of Information Management & Technology; Aloha Stadium; Campaign Spending Commission; Department of Public Safety; Office of the State Librarian; Honolulu Community College; Pacific Resource Partnership; Coalition of Hawaii Engineering and Architectural Professionals; General Contractors Association of Hawaii; Ralph S. Inouye Co., Ltd.; Building Industry Association of Hawaii; Laborers Employers Cooperation and Education Trust; and numerous individuals.

Dean Seki has experience working in the Executive Branch as a member of the Governor's research staff and twelve years of experience as a Planning and Policy Analyst in the Department of Accounting and General Services, Public Works Division. He also served as the legislative coordinator for the Department of Accounting and General Services. Mr. Seki was also the Deputy Director at the Department of Taxation and the Department of Accounting and General Services.

Mr. Seki believes that the mission of the Comptroller is to help state agencies better serve the public by providing superior public facilities, expert technological solutions and services, operational support, fiscal guidance, oversight of administrative services, and support for the preservation and promotion of cultural heritage.

Testimony indicated that Mr. Seki has demonstrated tremendous professionalism and leadership skills within the Department of Accounting and General Services for the short time that he has served as Comptroller. His management abilities, experience, and knowledge are exactly what are needed to improve general services. His management style is one of collaboration with others to identify issues and formulate solutions to the problem. Testifiers felt that Mr. Seki has a sense of fairness, respect, and integrity.

Your Committee believes that Mr. Seki has been forthright in his testimony and sincere about bringing improvement to the management of departments, including addressing the public employee overtime payment issues.

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. 3478 Health on H.C.R. No. 150

The purpose and intent of this measure is to declare the month of April of each year as Autism Awareness Month in Hawaii.

Your Committee received testimony in support of this measure from the Department of Health, State Council on Developmental Disabilities, Autism Speaks, Family Voices of Hawaii, and three individuals.

Your Committee finds that while there is no cure for autism, early identification of developmental concerns allows parents to seek intervention during the crucial early development period. Consequently, widespread information to educate parents, professionals, and the general public about autism spectrum disorders as well as the critical importance of early developmental screening is necessary. Your Committee thus finds that designating the month of April as "Autism Awareness Month" creates a useful opportunity for public and private organizations to educate the public about the services and treatments available for those with or at risk for an autism spectrum disorder.

Your Committee has amended this measure by:

- (1) Correcting the statistic which states that autism affects an estimated one in every one hundred ten children to reflect the more recent finding that one in every eighty-eight children are affected; 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 H.C.R. No. 150, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 150, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Slom).

SCRep. 3479 Health on H.C.R. No. 12

The purpose and intent of this measure is to designate January 22-28, 2012, as "Reproductive Rights Awareness Week".

Your Committee received testimony in support of this measure from Hawaii Youth Services Network, Community Alliance on Prisons, and one individual.

Your Committee finds that recently, women's reproductive rights have been receiving much national attention, and according to the Guttmacher Institute, in 2011, over a thousand state laws regarding women's reproductive health and rights were introduced across the nation. Reproductive Rights Awareness Week will create an opportunity to disseminate information, boost public awareness, and support for reproductive rights in the State and will encourage maternal, family, and child wellbeing.

Your Committee has amended this measure by:

- (1) Changing the designated date of Reproductive Rights Awareness Week to the fourth week of January of every year, rather than from January 22-28, 2012;
- (2) Changing the title to reflect the amended date; 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 concurs with the intent and purpose of H.C.R. No. 12, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 12, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Slom).

SCRep. 3480 Human Services on Gov. Msg. Nos. 781, 782, 783, and 840.

Recommending that the Senate advise and consent to the nominations of the following:

- G.M. No. 781 ALFRED CASTLE, for a term to expire 6-30-2014;
- G.M. No. 782 CHRISTINA COX, for a term to expire 6-30-2014;
- G.M. No. 783 LORA PERRY, for a term to expire 6-30-2014; and
- G.M. No. 840 PAMELA PERKINS, for a term to expire 6-30-2014,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Alfred Castle, Christina Cox, Lora Perry, and Pamela Perkins to possess the requisite qualifications to be nominated to the Early Learning Council.

ALFRED CASTLE

Your Committee received testimony in support of the nomination of Alfred Castle from the Executive Chambers of the Governor; Department of Education; Early Learning Council; University of Hawai'i System; 'Ae Kamali'i Preschool; Castle Colleagues Program; Chaminade University of Honolulu; Good Beginnings Alliance; Hawaii Association of Independent Schools; Holy Nativity School; Kapi'olani Health Foundation; Papa Ola Lokahi; Project Vision Hawaii; Read Aloud America, Inc.; YMCA of Honolulu; and one individual.

Mr. Castle is dedicated to building a comprehensive, integrated, high-quality early learning system in Hawaii. Currently, he serves as the Executive Director, Treasurer, and Trustee of the Samuel N. and Mary Castle Foundation and Henry and Dorothy Memorial Fund for Children. Last August, he provided needed funding to hire a team for Hawaii's Race to the Top Early Learning Challenge application. Most recently, his collaboration with the Department of Human Services, the University of Hawaii's Center on the Family, and the Kellogg Foundation produced an important and culturally sensitive Quality Improvement and Rating System to enhance the quality of early childhood programs earned national recognition.

Mr. Castle is a distinguished pioneer and member of the philanthropic community. Prior to returning to Hawaii in 1998, Mr. Castle was the Vice President and an adjunct professor of history in the California State University system. He returned to take the helm at the one-hundred-twenty-year-old Samuel N. and Mary Castle Foundation. He began an active partnership with Good Beginnings Alliance and most recently has been serving as a member of the Early Learning Council's Finance Committee.

Testimony received by your Committee indicates that Mr. Castle is widely respected by preschool directors statewide. He has sponsored numerous professional development opportunities for directors and teachers. He has also created an important low-income tuition assistance program for families having trouble paying for tuition at high-quality accredited centers.

Mr. Castle indicated in his personal statement that he brings a wealth of knowledge on early education and private foundations to the Early Learning Council. Specifically, he understands the key issues faced by teachers, children, and families; has knowledge of private funding in Hawaii and on the mainland; and is aware of the historical origins of Hawaii's early learning system. During his two-year term, he hopes to substantially advance the connections between public policy and private financial investment.

Your Committee finds that Mr. Castle's appointment would fulfill the philanthropic sector representation on the Early Learning Council. Mr. Castle's dedication to building a high-quality, integrated, comprehensive education system in Hawaii will assist the Early Learning Council in furthering its goal of developing and administering the early learning system.

CHRISTINA COX

Your Committee received testimony in support of the nomination of Christina Cox from the Executive Chambers of the Governor, Department of Education, Early Learning Council, University of Hawai'i System, Good Beginnings Alliance, Hawaii Association for the Education of Young Children, Hawaii Association of Independent Schools, and one individual.

Ms. Cox is a leader in the early childhood education and development community. Ms. Cox is currently the President and Chief Executive Office of KCAA Preschools of Hawaii, a position she has held since 2000. Recently, Ms. Cox provided guidance on the State's Race to the Top Early Learning Challenge application and informed the preliminary dialogue on how the Department of Education's junior kindergarten program will transition to a voluntary state-funded program for targeted four year olds through a mixed delivery system.

Testimony received by your Committee indicates that Ms. Cox's extensive experiences in various early learning and development programs serve as a strong foundation as she advocates for high-quality early education and care. She is the liaison for the Childcare Business Coalition of Hawaii, which includes over sixty preschools serving over four thousand children on four islands in Hawaii. As the liaison for the Coalition, Ms. Cox is on the Board of Directors of the Early Care and Education Consortium, which is a nonprofit alliance of America's leading national, regional, and independent providers of high-quality child care and early learning and development programs for young children.

Your Committee finds that Ms. Cox's nomination would fulfill the center-based program sector representation on the Early Learning Council. Ms. Cox's leadership in the field of early childhood development and learning in Hawaii will ensure the Early Learning Council has the perspective and knowledge of multi-site centered-based early childhood programs.

LORA PERRY

Your Committee received testimony in support of the nomination of Lora Perry from the Executive Chambers of the Governor, Department of Education, Early Learning Council, University of Hawai'i System, Child and Family Service, Good Beginnings Alliance, Hawaii Association for the Education of Young Children, Hawaii Career with Young Children, National Center for Family, Partners in Development Foundation, and eight individuals.

Ms. Perry has carried out extensive work with young children and families in Hawaii for the past thirty years. Ms. Perry is currently the Co-Director, Coordinator, and Teacher of the Partners in Development Foundation's comprehensive family education program

Testimony received by your Committee indicates that Ms. Perry is a Native Hawaiian whose rich experiences include living in the Waimanalo Hawaiian Homestead community and working in Kamehameha School's Early Childhood Education Division. She comes to the Early Learning Council with a Master's degree in Early Education. As the Project Director of Na Pono No Na 'Ohana, Ms. Perry integrates progressive teaching methods with Native Hawaiian cultural values to further improve social, economic, and educational opportunities for families in the program.

Ms. Perry indicated in her personal statement that she is passionate about providing high-quality early childhood education to all children in a family-selected environment, regardless of socioeconomic background, existing risk factors, or disabilities. Ms. Perry feels that a position on the Early Learning Council will allow her to continue to serve Hawaii's children and their families in a meaningful way.

Your Committee finds that Ms. Perry is seeking another term on the Early Learning Council as the family-child interaction learning representative. Her leadership and contribution to early learning in Hawaii has enabled the effective administration of culturally competent programs that support the development of the child and the education of the family. As a lead contributor to the development of the Early Learning Council's framework for comprehensive early childhood system, which was implemented in 2011, her dedication and continuing contribution to early childhood education will assist the Early Learning Council in engaging family members and caregivers and assist them in understanding their role as the primary influencer of their children during these formative years.

PAMELA PERKINS

Your Committee received testimony in support of the nomination of Pamela Perkins from the Executive Chambers of the Governor, Early Learning Council, University of Hawaii at Manoa Children's Center, Hawaii Association for the Education of Young Children, PATCH, and ten individuals.

Ms. Perkins is a lifelong learner who has over forty years of working in the field of early care and education among diverse early care and education settings. She has a Master's degree in Education in urban sociology and community education, and early childhood studies and education philosophy. She is currently a family child care provider at the Ao Kukui No Na Keiki Licensed Family Child Care in Pahoa on the Island of Hawaii. In addition to her experience in early care and education, she also has more than ten years of experience in adult education with a focus on infant and toddler curriculum.

Testimony received by your Committee indicates that Ms. Perkins brings an extensive array of reliable expertise, connected experiences, and wide-range knowledge of Hawaii's early childhood community. Ms. Perkins is an active member of the National Association for the Education of Young Children and the Hawaii Association for the Education of Young Children. She is the current Hawaii Island chapter President, and is the Big Island representative on the Hawaii Association for the Education of Young Children's Policy Committee. She has done professional development workshops for teacher and caregivers at the Association's annual conferences and at the Hawaii Island Early Childhood Conference.

Your Committee finds that Ms. Perkins is seeking a reappointment to the Early Learning Council to fulfill the family child care program representative. Ms. Perkins' background in educating adults, developing curriculum, and consulting and facilitating parent education, with a specialization in working with infants and toddlers in group care, will greatly assist the Early Learning Council in openly collaborating with colleagues and members of the community as the Council develops and implements an early childhood system.

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 (Ihara).

SCRep. 3481 Human Services on Gov. Msg. No. 886.

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAI'I PUBLIC HOUSING AUTHORITY

G.M. No. 886 DESIREE KIHANO, for a term to expire 6-30-2013,

Your Committee has reviewed the personal history and statement submitted by the nominee and finds Desiree Kihano 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 Ms. Kihano from the Department of Human Services, Hawaii Public Housing Authority, and Palolo Community Council.

Ms. Kihano is currently serving as the interim resident representative to the Hawaii Public Housing Authority Board of Directors, a position she has held since October 2011. She has been a public housing resident since 1985 and was an active member of the Hawaii Public Housing Authority Resident Advisory Board and a Hawaii Public Housing Authority Grievance Hearing Officer prior to joining the Board of Directors.

Testimony received by your Committee indicates that Ms. Kihano provides a dedicated, caring voice for public housing residents and is committed to the work that the Authority does for and on behalf of those residents. Ms. Kihano indicated in her personal statement that her primary responsibility as a member of the Board is to hold public housing residents and the Authority accountable for their respective responsibilities to ensure the fair treatment of public housing residents. During her tenure, she hopes to bring

Your Committee finds that Ms. Kihano has valuable insights into the needs and concerns of the residents of public housing complexes. Her insight on how proposed policies might affect residents will assist the Board as it makes decisions for the greater good. Your Committee further finds that Ms. Kihano's continued service in the capacity of a member on the Hawaii Public Housing Authority Board of Directors is vital to furthering the mission and success of the agency.

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. 3482 Commerce and Consumer Protection on Gov. Msg. Nos. 830, 831, 832, and 833.

Recommending that the Senate advise and consent to the nominations of the following:

CONTRACTORS LICENSE BOARD

G.M. No. 830 GUY AKASAKI, for a term to expire 6-30-2016;

G.M. No. 831 TYRUS KAGAWA, for a term to expire 6-30-2016;

G.M. No. 832 KENT MATSUZAKI, for a term to expire 6-30-2016; and

G.M. No. 833 DARYL SUEHIRO, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Guy Akasaki, Tyrus Kagawa, Kent Matsuzaki, and Daryl Suehiro to possess the requisite qualifications to be nominated to the Contractors License Board.

GUY AKASAKI

Your Committee received testimony in support of the nomination of Guy Akasaki from the Department of Commerce and Consumer Affairs, First Hawaiian Bank, Roofing Contractors Association of Hawaii, King & Neel, Inc., and Plumbers and Fitters UA Local 675.

Upon review of the testimony, your Committee finds that Mr. Akasaki's background, dedication to serving the public, and experience on the Contractors License Board qualify him for reappointment to the Contractors License Board as a licensee member. Your Committee notes that Mr. Akasaki has been licensed in the State since 1990 and holds the roofing and waterproofing license classifications. Mr. Akasaki is the owner of a roofing and waterproofing company in Hawaii and has cofounded several other companies in Hawaii and Guam. Mr. Akasaki's diverse background and years of experience in the trade have made him an asset to the Contractors License Board, where he has served as a contributing member since 2008. Your Committee further finds that Mr. Akasaki has been reappointed to the Contractors License Board based on his knowledge, experience, and commitment to public service.

TYRUS KAGAWA

Your Committee received testimony in support of the nomination of Tyrus Kagawa from the Department of Commerce and Consumer Affairs; Plumbing and Mechanical Contractors Association of Hawaii; Sheet Metal Contractors Association; Engineered Systems Inc.; Oahu Plumbing and Sheet Metal, Ltd.; and Plumbers and Fitters UA Local 675.

Upon review of the testimony, your Committee finds that Mr. Kagawa's background, experience, and dedication to consumer safety qualify him for appointment to the Contractors License Board as a specialty contractor member. Your Committee notes that Mr. Kagawa has worked in the plumbing and air conditioning industry for three decades and is licensed in the State as a contractor, plumber, and engineer. Mr. Kagawa has an extensive contracting background in a variety of large construction projects, including commercial buildings, condominiums, and hotels. Mr. Kagawa is familiar with board procedures and protocol by virtue of his prior experience as a board member on the Board of Electricians and Plumbers, and understands the importance of balancing safety and economic issues for the protection of the State's consumers. Your Committee further finds that Mr. Kagawa's knowledge and experience will be an asset to the Contractors License Board.

KENT MATSUZAKI

Your Committee received testimony in support of the nomination of Kent Matsuzaki from the Department of Commerce and Consumer Affairs, Subcontractors Association of Hawaii, Sheet Metal Contractors Association, Plumbing and Mechanical Contractors Association of Hawaii, and Plumbers and Fitters UA Local 675.

Upon review of the testimony, your Committee finds that Mr. Matsuzaki's background, experience, and interest in giving back to the community qualify him for appointment to the Contractors License Board as a specialty contractor member. Your Committee notes that Mr. Matsuzaki has worked in the construction industry for twenty-seven years and holds C-4, C-37, and C-52 license classifications. Throughout his career, Mr. Matsuzaki has been involved in many significant construction projects, including work at Honolulu International Airport, Pearl Harbor Naval Shipyard, and Hawaii Pacific University. Mr. Matsuzaki is familiar with all aspects of contracting and has leadership experience by virtue of his service on the Board of Directors of the Plumbing and Mechanical Contractors Association of Hawaii. Your Committee further finds that Mr. Matsuzaki has been appointed to the Contractors License Board based on his knowledge, diverse background, and commitment to protecting public interests.

DARYL SUEHIRO

Upon review of the testimony, your Committee finds that Mr. Suehiro's background, commitment to serving the community, and experience on the Contractors License Board qualify him for reappointment to the Contractors License Board as a licensee member. Your Committee notes that Mr. Suehiro has been licensed as an electrical contractor since 1988 and also holds a journeyman electrician license. Mr. Suehiro is the president of a family-owned business, the vice-president of operations for a general contracting company, and the past President of the Electrical Contractors Association of Hawaii. Mr. Suehiro has served on the Contractors License Board since 2008, and his expertise in the electrical field has been critical to the Board's ability to interpret scope of practice issues in this highly specialized area. Your Committee further finds that Mr. Suehiro has been reappointed to the Contractors License 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, 7. Noes, none. Excused, none.

SCRep. 3483 Commerce and Consumer Protection on Gov. Msg. Nos. 770, 771, 772, and 773.

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOXING COMMISSION OF HAWAII

G.M. No. 770 SNOOKY FUJIKAWA, for a term to expire 6-30-2016;

G.M. No. 771 MYOUNG OH, for a term to expire 6-30-2016;

G.M. No. 772 ABRAHAM PACHECO, for a term to expire 6-30-2015; and

G.M. No. 773 BIENVENIDO VILLAFLOR, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Snooky Fujikawa, Myoung Oh, Abraham Pacheco, and Bienvenido Villaflor to possess the requisite qualifications to be nominated to the State Boxing Commission of Hawaii.

SNOOKY FUJIKAWA

Your Committee received testimony in support of the nomination of Snooky Fujikawa from the Department of Commerce and Consumer Affairs and four individuals.

Upon review of the testimony, your Committee finds that Mr. Fujikawa's background, experience, and desire to contribute to the community qualify him for appointment to the State Boxing Commission of Hawaii. Your Committee notes that Mr. Fujikawa is the owner of a certified personal training operation and has twenty-one years of experience in the boxing industry, including serving as a boxing second and a coach. Mr. Fujikawa has familiarity with board processes and governance issues by virtue of his prior experience as a board member for Special Olympics Hawaii and as a member of the Friends of Hickam Air Force Base. Your Committee further finds that Mr. Fujikawa's extensive background, enthusiasm for the sport of boxing, and dedication to public service will be an asset to the State Boxing Commission of Hawaii.

MYOUNG OH

Your Committee received testimony in support of the nomination of Myoung Oh from the Department of Commerce and Consumer Affairs and four individuals.

Upon review of the testimony, your Committee finds that Mr. Oh's professional background and commitment to serving the public qualify him for appointment to the State Boxing Commission of Hawaii. Your Committee notes that Mr. Oh is currently the Government Affairs Director for the Hawaii Association of REALTORS. In this role, Mr. Oh develops, implements, and manages a governmental affairs program, and executes strategies approved by the Board of Directors of the Hawaii Association of REALTORS. Mr. Oh has attended many meetings of the Real Estate Commission and is therefore familiar with state commission processes and governance issues. Your Committee further finds that Mr. Oh understands the role and responsibilities of the State Boxing Commission of Hawaii, and his diverse background and familiarity with regulatory issues will be an asset to the State Boxing Commission of Hawaii.

ABRAHAM PACHECO

Your Committee received testimony in support of the nomination of Abraham Pacheco from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Mr. Pacheco's knowledge, background, and proven leadership qualify him for appointment to the State Boxing Commission of Hawaii. Your Committee notes that Mr. Pacheco has over forty years of experience training athletes and officiating and judging professional and amateur boxing events locally, nationally, and internationally. Mr. Pacheco also has over twenty-five years of experience with the International Boxing Federation, where he served as a referee and judge and officiated thirty-five World Title fights. Mr. Pacheco is also an interim appointee to the State Boxing Commission of Hawaii and currently serves as Chairperson. Your Committee further finds that Mr. Pacheco has been appointed to the State Boxing Commission of Hawaii based on his extensive knowledge, experience, and dedication to the sport.

BIENVENIDO VILLAFLOR

Your Committee received testimony in support of the nomination of Bienvenido Villaflor from the Department of Commerce and Consumer Affairs, Department of Agriculture, and two individuals.

Upon review of the testimony, your Committee finds that Mr. Villaflor's knowledge, experience, and demonstrated passion for the sport of boxing qualify him for appointment to the State Boxing Commission of Hawaii. Your Committee notes that Mr. Villaflor is a former World Boxing Association World Junior Lightweight Champion. Mr. Villaflor's long and distinguished boxing career was a major factor in sparking local enthusiasm for the sport, and he brings this same enthusiasm and dedication to his work as the Sergeant-at-Arms for the Hawaii State Senate. Mr. Villaflor also has extensive experience with the applicable workings of the State Boxing Commission, by virtue of his previous service as a commission member. Your Committee further finds that Mr. Villaflor's background, experience, and desire to give back to the community uniquely qualify him for appointment to the State Boxing Commission of Hawaii.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Solomon, Slom).

SCRep. 3484 Commerce and Consumer Protection on Gov. Msg. Nos. 774, 775, and 776.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 774 MARK CHUN, for a term to expire 6-30-2016;

G.M. No. 775 PAUL GUEVARA, for a term to expire 6-30-2015; and

G.M. No. 776 GARRETT OTA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Mark Chun, Paul Guevara, and Garrett Ota 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 Chun from the Department of Commerce and Consumer Affairs, Hawaii Dental Association, and one individual.

Upon review of the testimony, your Committee finds that Dr. Chun's professional experience, strong background in community service, and proven leadership on numerous boards qualify him for appointment to the Board of Dental Examiners. Your Committee notes that Dr. Chun has been practicing dentistry in Hawaii for thirty years and is a member of several professional organizations, including the American Dental Association, Hawaii Dental Association, and the Hawaii Academy of General Dentistry, where he served as past President. Through his work with these organizations, Dr. Chun has developed a strong interest in upholding the high standards of the dental profession and ensuring that patients remain a priority. Your Committee further finds that Dr. Chun is dedicated to serving his community and has been appointed to the Board of Dental Examiners based on his knowledge, experience, and dedication to providing high quality dental care to the State's residents.

Your Committee received testimony in support of the nomination of Paul Guevara from the Department of Commerce and Consumer Affairs, Hawaii Dental Association, and one individual.

Upon review of the testimony, your Committee finds that Dr. Guevara's professional experience, desire to contribute to the community, and interest in serving on the Board of Dental Examiners qualify him for appointment to the Board of Dental Examiners. Your Committee notes that Dr. Guevara has been a practicing dentist and endodontist for over sixteen years, and has experience as a dentist in the United States Army and in private practice. Dr. Guevara is a member of the American Dental Association, American Association of Endodontists, and Hawaii Dental Association, and is currently an interim appointee on the Board of Dental Examiners. Your Committee further finds that Dr. Guevara is interested in continuing to serve the community through his service on the Board and has been appointed to the Board of Dental Examiners based on his knowledge, specialized experience, and commitment to high standards and public safety in the dental profession.

Your Committee received testimony in support of the nomination of Garrett Ota from the Department of Commerce and Consumer Affairs, Hawaii Dental Association, and one individual.

Upon review of the testimony, your Committee finds that Dr. Ota's professional experience, commitment to community service, and leadership experience qualify him for appointment to the Board of Dental Examiners. Your Committee notes that Dr. Ota has been a practicing dentist on the island of Hawaii for sixteen years, where he is active in ensuring that underserved communities receive appropriate dental care. Dr. Ota is a member of the Hawaii Dental Association and the Hawaii County Dental Society. Dr. Ota previously served as President of the Hawaii County Dental Society and as a delegate from the Big Island to the Hawaii Dental Association House of Delegates. Your Committee further finds that Dr. Ota views his service on the Board of Dental Examiners as a meaningful way to contribute to the profession and the State's dental patients and has been appointed to the Board of Dental Examiners based on his knowledge, experience, and desire to advocate for consumers of dentistry.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Solomon, Slom).

SCRep. 3485 Commerce and Consumer Protection on Gov. Msg. Nos. 835 and 836.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PRIVATE DETECTIVES AND GUARDS

G.M. No. 835 RAY GALAS, for a term to expire 6-30-2016; and

G.M. No. 836 DOUGLAS INOUYE, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Ray Galas and Douglas Inouye to possess the requisite qualifications to be nominated to the Board of Private Detectives and Guards.

Your Committee received testimony in support of the nomination of Ray Galas from the Department of Commerce and Consumer Affairs and four individuals.

Upon review of the testimony, your Committee finds that Mr. Galas is qualified to serve as a public member of the Board of Private Detectives and Guards. Your Committee notes that Mr. Galas has been an active community volunteer and leader and has served in numerous education, training, and mentorship programs in the State's civilian and military communities. Mr. Galas is familiar with many of the processes and procedures of state boards, by virtue of his prior experience on the State Illegal Fireworks Task Force and Neighborhood Board Number 23. Your Committee further finds that Mr. Galas understands the role and responsibilities of board members and his varied experiences and commitment to community service will be an asset to the Board of Private Detectives and Guards.

Your Committee received testimony in support of the nomination of Douglas Inouye from the Department of Commerce and Consumer Affairs; Kazama Enterprises, Inc.; Yamamoto & Settle LLLC; and one individual.

Upon review of the testimony, your Committee finds that Mr. Inouye's current service on the Board and continued desire to serve qualify him for reappointment as a public member of the Board of Private Detectives and Guards. Your Committee notes that Mr. Inouye has served on the Board of Private Detectives and Guards since 2008 and is the current Vice Chairperson. His background as

an attorney provides the Board with valuable insights from the public perspective. Mr. Inouye's reappointment will be an asset to the Board, especially in light of the Board's duties and responsibilities in implementing Act 208, Session Laws of Hawaii 2010, a measure that requires a major overhaul of the State's security guard education and training requirements. Your Committee further finds that Mr. Inouye has been reappointed to the Board of Private Detectives and Guards based on his experience, proven leadership, 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, 7. Noes, none. Excused, none.

SCRep. 3486 Commerce and Consumer Protection on Gov. Msg. No. 903.

Recommending that the Senate advise and consent to the nomination of the following:

PEST CONTROL BOARD

G.M. No. 903 WALTER CHUN, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Walter Chun to possess the requisite qualifications to be nominated to the Pest Control Board.

Your Committee received testimony in support of the nomination of Walter Chun from the Department of Commerce and Consumer Affairs, Veterans of Safety Hawaii Chapter, and one individual.

Upon review of the testimony, your Committee finds that Dr. Chun's knowledge, background, and experience qualify him for appointment to the Pest Control Board as a public member. Your Committee notes that Dr. Chun has over forty years of experience managing industrial safety and health, and has worked as a safety and health manager in many positions, including serving as the Pacific Area Director for the United States Occupational Safety and Health Administration and as an independent consultant. Your Committee further finds that Dr. Chun understands the role and responsibilities of Board members and has been appointed to the Pest Control Board based on his experience, expertise, 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 (Galuteria, Slom).

SCRep. 3487 Commerce and Consumer Protection on Gov. Msg. Nos. 779 and 780.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 779 DEBRA KUBOTA, for a term to expire 6-30-2015; and

G.M. No. 780 NEIL SHIMABUKURO, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Debra Kubota and Neil Shimabukuro to possess the requisite qualifications to be nominated to the Board of Physical Therapy.

Your Committee received testimony in support of the nomination of Debra Kubota from the Department of Commerce and Consumer Affairs, Kaiser Permanente, Honpa Hongwanji Mission of Hawaii, and thirteen individuals.

Upon review of the testimony, your Committee finds that Ms. Kubota's background as a licensed physical therapist, commitment to the community, and leadership experience qualify her for appointment to the Board of Physical Therapy. Your Committee notes that Ms. Kubota has been a physical therapist in Hawaii for over three decades and has extensive experience in several physical therapy settings, including hospitals, skilled nursing facilities, and outpatient clinics. Your Committee further finds that Ms. Kubota is actively involved with community and professional organizations. She has attended Board of Physical Therapy meetings since 2005 as the Chair of the Hawaii chapter of the American Physical Therapy Association's Board of Physical Therapy Liaison Committee. Ms. Kubota has a thorough understanding of the role and responsibility of board members and has been appointed to the Board of Physical Therapy based on her knowledge, experience, and dedication to the public and the profession of physical therapy.

Your Committee received testimony in support of the nomination of Neil Shimabukuro from the Department of Commerce and Consumer Affairs, StayFIT Physical Therapy, LLC, and two individuals.

Upon review of the testimony, your Committee finds that Mr. Shimabukuro's experience as a licensed physical therapist, dedication to serving the community, and interest in improving the standards of physical therapy in the State qualify him for appointment to the Board of Physical Therapy. Your Committee notes that Mr. Shimabukuro has been a physical therapist for twelve years, and has worked in a variety of practice settings, including hospitals, rehabilitation centers, home physical therapy companies, and private practice. Your Committee further finds that Mr. Shimabukuro is active in his community and is interested in continuing to serve his community as a member of the Board of Physical Therapy. Mr. Shimabukuro has a thorough understanding of the role and responsibility of board members and has been appointed to the Board of Physical Therapy based on his knowledge, experience, and interest in maintaining and improving the education and qualifications of physical therapists in Hawaii.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Solomon, Slom).

SCRep. 3488 Commerce and Consumer Protection on Gov. Msg. No. 778.

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 778 JERE LOO, for a term to expire 6-30-2015,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Jere Loo 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 Jere Loo from the Department of Commerce and Consumer Affairs, Hawaii Optometric Association, and one individual.

Upon review of the testimony, your Committee finds that Dr. Loo's experience as a licensed optometrist, desire to contribute to the community, and prior experience on the Board qualify him for appointment to the Board of Examiners in Optometry. Your Committee notes that Dr. Loo has maintained his practice of primary care optometry on Kauai for over twenty-four years and is a member of the American Optometric Association and the Hawaii Optometric Association. Dr. Loo has leadership experience by virtue of his previous position as an industry member on the Board of Examiners in Optometry, where he assisted the Board in amending its administrative rules and kept the Board up to date with optometry issues locally and nationally. Your Committee further finds that Dr. Loo has a thorough understanding of the role and responsibility of board members and has been appointed to the Board of Examiners in Optometry based on his knowledge, experience, and commitment to serving the community.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Solomon, Slom).

SCRep. 3489 Commerce and Consumer Protection on Gov. Msg. No. 829.

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

G.M. No. 829 LAWRENCE REDMOND, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Lawrence Redmond 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 Lawrence Redmond from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Dr. Redmond's experience as a chiropractor and past leadership experience qualify him for appointment to the State Board of Chiropractic Examiners. Your Committee notes that Dr. Redmond has been the owner in private practice of Kaimuki Chiropractic Center for almost three decades. He is the past President of the Hawaii State Chiropractic Association and was influential in the decision by Kaiser Permanente and Hawaii Medical Service Association to include chiropractic as a covered service. Your Committee further finds that Dr. Redmond has been appointed to the State Board of Chiropractic Examiners based on his extensive qualifications, background, and experience.

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, 7. Noes, none. Excused, none.

SCRep. 3490 Commerce and Consumer Protection on Gov. Msg. No. 868.

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PSYCHOLOGY

G.M. No. 868 ROSEMARY ADAM-TEREM, for a term to expire 6-30-2014,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Rosemary Adam-Terem to possess the requisite qualifications to be nominated to the Board of Psychology.

Your Committee received testimony in support of the nomination of Rosemary Adam-Terem from eight individuals.

Upon review of the testimony, your Committee finds Dr. Adam-Terem's experience as a licensed psychologist, dedication to the community, and leadership throughout her career qualify her for appointment to the Board of Psychology. Your Committee notes that

Dr. Adam-Terem has practiced as a licensed clinical psychologist in Hawaii for twenty-five years. Dr. Adam-Terem is extremely active in the Hawaii Psychological Association, where she currently serves as Chair of the Ethics Committee and the Continuing Education Committee and previously served as President. Dr. Adam-Terem has also held leadership positions with the American Psychological Association and is a member of the Clinical Affiliate Faculty at the University of Hawaii at Manoa's Department of Psychology. Your Committee further finds that Dr. Adam-Terem has a thorough understanding of the role and responsibilities of board members and has been appointed to the Board of Psychology 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, 7. Noes, none. Excused, none.

SCRep. 3491 Commerce and Consumer Protection on Gov. Msg. No. 837.

Recommending that the Senate advise and consent to the nomination of the following:

REAL ESTATE COMMISSION

G.M. No. 837 BRUCE FAULKNER, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Bruce Faulkner to possess the requisite qualifications to be nominated to the Real Estate Commission.

Your Committee received testimony in support of the nomination of Bruce Faulkner from the Department of Commerce and Consumer Affairs, Hawaii Association of REALTORS, REALTORS Association of Maui, Inc., and one individual.

Upon review of the testimony, your Committee finds that Mr. Faulkner's professional background, commitment to public service, and leadership experience qualify him for appointment to the Real Estate Commission as a Maui County Licensee. Your Committee notes that Mr. Faulkner has been a licensed realtor for over twenty-five years and licensed real estate broker for the past sixteen years. Mr. Faulkner has served the community through various volunteer positions and is active in his profession, serving as a member of the Hawaii Association of REALTORS, a member of the Hawaii Association of REALTORS Board of Directors, and past President of the REALTORS Association of Maui. Mr. Faulkner's diverse background in public and private board service has also enabled him to develop a familiarity with board processes and protocol. Your Committee further finds that Mr. Faulkner has been appointed to the Real Estate Commission based on his experience, leadership ability, and willingness to give back to the public and his profession.

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, 7. Noes, none. Excused, none.

SCRep. 3492 Economic Development and Technology on Gov. Msg. No. 519.

Recommending that the Senate advise and consent to the nomination of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

G.M. No. 519 JOANN INAMASU, for a term to expire 6-30-2015,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Joann Inamasu 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 Joann Inamasu from the Department of Business, Economic Development, and Tourism and one individual.

Joann Inamasu is Vice President of Sterling Performance Group, Inc., where her responsibilities include event coordination, grant writing, and fundraising for various projects. Prior to this position, she was with the Office of Economic Development, County of Maui, for ten years in senior management positions, and has extensive experience in events and conference operations to promote agriculture and small businesses on Maui. She is a graduate of the University of Hawaii at Manoa with a Bachelor of Business Administration. Ms. Inamasu is active in community and civic organizations, and has served as a board member of the Maui County Workforce Investment Board, State Workforce Development Council, Academy of Hospitality and Tourism, The Maui Farm, and Tourism Workforce Advisory Council.

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

SCRep. 3493 Economic Development and Technology on Gov. Msg. Nos. 520 and 521.

Recommending that the Senate advise and consent to the nominations of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 520 CHU LAN SHUBERT-KWOCK, for a term to expire 6-30-2016; and

G.M. No. 521 HOWARD WEST, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Chu Lan Shubert-Kwock and Howard West to possess the requisite qualifications to be nominated to the Small Business Regulatory Review Board.

Your Committee received testimony in support of the nomination of Chu Lan Shubert-Kwock from the Small Business Regulatory Review Board; Guardian Escrow Services, Inc.; Lung Kong Physical Culture Club; Herbert Chock & Associates, Inc.; Alice Nakamoto & Associates; and one individual.

Chu Lan Shubert-Kwock is the Vice President of Finance and Chief Fundraiser for OCA (Organization of Chinese Americans) National Center, an organization founded in 1973, with over eighty chapters nationwide dedicated to advancing the social, political, and economic wellbeing of Asian Pacific Americans. She is also President of CLSK, Inc., a mortgage and real estate business licensed in Hawaii since 1980, President and Founder of the Chinatown Business and Community Association, Honolulu, and President of the Association of Peoples from South East Asia Nations. Ms. Shubert-Kwok is a graduate of the University of Singapore with a Bachelor of Arts and attended graduate school in Australia. She is active in many community organizations, including the Hawaii Dragon Boat Foundation, the Kalihi YMCA, and KICKStart, a program for at-risk teens.

Your Committee received testimony in support of the nomination of Howard West from the Small Business Regulatory Review Board; 50th State Management Corporation; Grace Pacific Corporation; Environmental Science International, Inc.; Mid Pac Petroleum, Goodwill Anderson Quinn & Stifel; Hawaii Farm Bureau Federation; and one individual.

Howard West is the Executive Vice President and a founding member of Environmental Science International (ESI), where he is responsible for technical oversight and direction for all ESI projects. He has over twenty years of professional experience, and prior to the formation of ESI, Dr. West was the Technical Director of a small environmental consulting firm in Hawaii, and a faculty member at the School of Ocean and Earth Sciences, University of Hawaii at Manoa. He holds a Doctorate of Philosophy in Geology and Geophysics from Rice University, Houston, Texas, and undergraduate and graduate degrees in geology and geophysics from the University of Hawaii at Manoa. Dr. West is active in a wide range of professional and community organizations and has published extensively in his fields of expertise.

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

SCRep. 3494 Economic Development and Technology on Gov. Msg. Nos. 522, 797, and 905.

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. 522 ALAN HAYASHI, for a term to expire 6-30-2013;

G.M. No. 797 JAMES MOONIER, for a term to expire 6-30-2016; and

G.M. No. 905 PHILIP BOSSERT, 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 Hayashi, James Moonier, and Philip Bossert to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Strategic Development Corporation.

Your Committee received testimony in support of the nomination of Alan Hayashi from the Department of Business, Economic Development, and Tourism; Hawaii Strategic Development Corporation; The Chamber of Commerce of Hawaii; The Defense and Dual Use Technology Committee of the Chamber of Commerce of Hawaii; and Lend Lease Hickam Communities LLC.

Alan Hayashi is the Public Affairs and Communications Director for BAE Systems, and has been with BAE Systems Spectral Solutions (formerly STI, a Hawaii based optical imaging systems company acquired by BAE Systems) for over ten years. He served as the Executive Director of the State of Hawaii's Convention Center Authority for eleven years, and oversaw the location, development, and construction of the \$350,000,000 Hawaii Convention Center. Mr. Hayashi holds a Bachelor of Science Engineering degree from Stanford University and a Master of Business Administration degree from the University of Hawaii at Manoa. He currently serves or has served on the boards of directors of the Friends of Hawaii Robotics, Army Hawaii Housing Foundation, Military Affairs Council of The Chamber of Commerce of Hawaii, and is a member of the Rotary Club of Metropolitan Honolulu.

Your Committee received testimony in support of the nomination of James Moonier from the Department of Business, Economic Development, and Tourism and the Hawaii Strategic Development Corporation.

James Moonier is the Managing Member of Alpha Capital Research, an independent investment management and advisory firm that focuses on alternative investments. In addition, he has twenty years of experience as a Managing Director for Morgan Stanley in New York, Tokyo, Hong Kong, and Singapore, where he was responsible for management and oversight of a full range of institutional sales and trading businesses including fixed income, commodities, FX, equities, and private wealth management for clients. Mr. Moonier is a graduate of Princeton University with a Bachelor of Arts in Russian and East Asian Studies, and has studied at Leningrad University in the Soviet Union and Taiwan Normal University in Taipei, Taiwan. He has served on the boards of directors of the UCLA Anderson School of Management, Stanford Graduate Business School, and Le Jardin Academy.

Your Committee received testimony in support of the nomination of Philip Bossert from the Department of Business, Economic Development, and Tourism; Hawaii Strategic Development Corporation; and one individual.

Philip Bossert is currently Co-Founder of and Senior Consultant with OrienTech, an education technology services company focusing on Internet-delivered learning resources; Director of the Hawaii Association of Independent Schools' Institute for 21st Century Teaching & Learning; and an adjunct faculty member in the Education Division of Chaminade University of Honolulu. He has nearly forty years of senior management and entrepreneurial experience in business, government, and academia, primarily focusing on technology and its application in government and the private sector. Dr. Bossert is a graduate of Washington University, St. Louis, Missouri, with a Ph.D. in Philosophy and has studied at the University of Hawaii, Louvain University in Belgium, and Freiburg University in Germany, among others. He is active in a wide range of professional, academic, and community organizations, and has published extensively on the topics of information technology, education, and philosophy.

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

SCRep. 3495 Economic Development and Technology on Gov. Msg. No. 793.

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HIGH TECHNOLOGY INNOVATION CORPORATION

G.M. No. 793 BERNICE BOWERS, for a term to expire 6-30-2014,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Bernice Bowers to possess the requisite qualifications to be nominated to the Board of Directors of the High Technology Innovation Corporation.

Your Committee received testimony in support of the nomination of Bernice Bowers from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Enterprise Honolulu; Hawaii Open Data; and one individual.

Bernice Bowers is the Managing Member of Inovi Group LLC, where she is responsible for program management, facilitation of online group spaces for project teaming and federal proposal management for technology companies, technical writing, business support service coordination, and master plan development. She has nearly thirty years of experience as a senior manager in the fields of business, technology development, and planning in Hawaii, Hong Kong, and Japan. Ms. Bowers is a graduate of the University of Hawaii with a Master of Arts in Anthropology and holds a Bachelor of Arts from Princeton University. She is active in the Project Management Institute and Princeton Alumni Association, and is the recipient of numerous business and government awards and honors in Hawaii and Asia.

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

SCRep. 3496 Economic Development and Technology on Gov. Msg. Nos. 794, 795, and 796.

Recommending that the Senate advise and consent to the nominations of the following:

HAWAI'I HISTORIC PLACES REVIEW BOARD

G.M. No. 794 WILLIAM CHAPMAN, for a term to expire 6-30-2016;

G.M. No. 795 THOMAS LIM, for a term to expire 6-30-2016; and

G.M. No. 796 LORRAINE PALUMBO, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds William Chapman, Thomas Lim, and Lorraine Palumbo 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 William Chapman from the Department of Land and Natural Resources, Historic Hawaii Foundation, Manoa Heritage Center, and one individual.

William Chapman is a Professor and Director of the Graduate Program in Historic Preservation, University of Hawaii at Manoa, a position he has held since 1999, after joining the University in 1993. Since 1980, he has also served as an independent consultant in historic preservation with Chapman and Associates, and was formerly a historian with the National Park Service in Pennsylvania. Dr. Chapman holds a Doctorate of Philosophy in Anthropology from the University of Oxford, England, and two Master's degrees in Anthropology and Historic Preservation from the University of Oxford and Columbia University, New York. He is active in a wide range of professional and academic organizations and has published extensively on the subjects of vernacular architecture, archaeology, anthropology, and historic preservation, among other topics. Dr. Chapman represents the island of Oahu as a historian on the Board.

Your Committee received testimony in support of the nomination of Thomas Lim from the Department of Land and Natural Resources, Mason Architects, and three individual.

Thomas Lim is Director of the Planning and Management System Office, College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, where he is responsible for the College's facilities and projects on the Manoa campus and twenty-two off-campus research stations on 1,600 acres statewide. He has over thirty years of architectural experience and design and supervision of numerous preservation projects throughout the State, has served as the project manager for the Americans with Disabilities Act public and private sector projects in Hawaii, and is a former Architecture Branch Chief with the State Historic Preservation Division. Mr. Lim is a graduate of the University of Hawaii at Manoa with a Master of Architecture and holds a Bachelor of Arts from New York University. Mr. Lim represents the island of Oahu as an architect on the Board.

Your Committee received testimony in support of the nomination of Lorraine Palumbo from the Department of Land and Natural Resources, Historic Hawaii Foundation, and four individuals.

Lorraine Palumbo is President of Minatoishi Palumbo Architects, Inc., and has served as a historical architect with the Hawaii Heritage Center and the National Park Service since 2009, where she is conducting an analysis of the Honouliuli Japanese Internment Camp's last two remaining buildings, the Administration Building and the Fire House. She is a graduate of Waseda University with a Doctorate of Philosophy in Architectural History and holds a Master of Architecture from the University of Oregon. Dr. Palumbo is a Registered Architect, LEED Accredited Professional, and meets the National Park Service qualification standards for historic architecture and for an architectural historian. She is a Board Member of Historic Hawaii Foundation and President of the Friends of the Honolulu Memorial Park, as well as an author and filmmaker. Dr. Palumbo represents the island of Oahu as an architect on the Board.

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

SCRep. 3497 Economic Development and Technology on Gov. Msg. Nos. 869 and 870.

Recommending that the Senate advise and consent to the nominations of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

G.M. No. 869 LINDA CHOCK, for a term to expire 6-30-2016; and

G.M. No. 870 JEANETTE NAHINU, 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 Chock and Jeanette Nahinu to possess the requisite qualifications to be nominated to the King Kamehameha Celebration Commission.

Your Committee received testimony in support of the nomination of Linda Chock from the Department of Accounting and General Services, Office of Hawaiian Affairs, Ahahui Ka'ahumanu Chapter I of Hawaii, E Noa Corporation, and nine individuals.

Linda Chock is a Supervisor for Pleasant Holidays at Aulani Disney Resort and has over thirty-five years of experience in the visitor and convention industry in Hawaii. She attended the University of Hawaii and is a graduate of the Travel Institute, Wellesley, Massachusetts. Ms. Chock is active in many professional, community, and civic organizations, including state and national chapters of the American Society Association Executives and the Travel and Tourism Research Association, and as a member of Daughters of Hawaii and the Benevolent Royal Society of the Ahahui Ka'ahumanu. She represents Ahahui Ka'ahumanu on the Commission.

Your Committee received testimony in support of the nomination of Jeanette Nahinu from the Department of Accounting and General Services and three individuals.

Jeanette Nahinu works with the children of Hawaii as a Kupuna for the Department of Education's Kapolei Elementary School, where she shares her life-long interest and knowledge of Hawaiian history and genealogy. She has also been active in the Kupuna program at Waimanalo Elementary and Jefferson Elementary schools. She is Recording Secretary for the Royal Society Daughters and Sons of Hawaiian Warriors, and participates in the King Kamehameha Day parade, Prince Kuhio Day parade, and observances at Mauna Ala Cemetery in Nuuanu. Ms. Nahinu represents the Daughters and Sons of Hawaiian Warriors on the Commission.

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

SCRep. 3498 Economic Development and Technology on Gov. Msg. Nos. 876, 877, and 878.

Recommending that the Senate advise and consent to the nominations of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS COMMISSION

G.M. No. 876 JOEL GUY, for a term to expire 6-30-2013;

G.M. No. 877 MICHAEL MOORE, for a term to expire 6-30-2016; and

G.M. No. 878 SHARON NARIMATSU, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Joel Guy, Michael Moore, and Sharon Narimatsu 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 Joel Guy from the Department of Accounting and General Services, Waipa Foundation, Akamai Learning School, and four individuals.

Joel Guy is the owner of Grass Shack Productions, a multimedia production center he founded in 2003, which specializes in independent films and web-based videos for businesses. Prior to his current business, Mr. Guy was the owner and general manager of a full service bar and restaurant in Hanalei. He attended the University of Hawaii at Manoa and is a licensed realtor. Mr. Guy is active in numerous community service organizations, including the Kauai County Charter Review Commission, and serves as President of the Hanalei to Haena Community Association, and is past President of the Kauai North Shore Business Council. He represents the County of Kauai on the Commission.

Your Committee received testimony in support of the nomination of Michael Moore from the Department of Accounting and General Services, Maui Tomorrow, and one individual.

Michael Moore is the Director of Marketing and President of Hoaloha Na Eha, Ltd., and has over thirty years of visitor industry management experience in all aspects of sales, marketing and public relations, and feasibility research and development of new products and venues. He attended Windham College in Putney, Vermont, and Boston University. Mr. Moore is active in numerous community and arts organizations, including serving on the Board of Directors of the Maui Arts and Cultural Center, Maui Visitors Bureau, and Lahaina Restoration Foundation, and was honored as one of the "100 Outstanding Citizens of Maui County". He represents the County of Maui on the Commission.

Your Committee received testimony in support of the nomination of Sharon Narimatsu from the Department of Accounting and General Services; Core Group One, Inc.; and two individuals.

Sharon Narimatsu has over twenty years of experience in administrative positions in government and the private sector, including serving as Deputy Director of the Department of Business, Economic Development, and Tourism and Vice Chancellor for Student and Community Affairs of the University of Hawaii Community Colleges. She is a graduate of the University of Hawaii, with Bachelor of Arts and Master of Arts degrees. Ms. Narimatsu served as the first female president of the Honolulu Japanese Chamber of Commerce and is active in numerous community organizations, including Historic Hawaii Foundation, Aloha United Way, and the Rotary Club of East Honolulu, among others. She is an at-large representative on the Commission.

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

SCRep. 3499 Public Safety, Government Operations, and Military Affairs on Gov. Msg. No. 767.

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII AEROSPACE ADVISORY COMMITTEE

G.M. No. 767 FRANK OLIC, for a term to expire 6-30-2013,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Frank Olic to possess the requisite qualifications to be nominated to the Hawaii Aerospace Advisory Committee.

Your Committee received testimony in support of Frank Olic from the Office of Aerospace Development of the Department of Business, Economic Development, and Tourism.

Frank Olic has over forty years of experience in the aerospace industry. He has served as an air traffic controller, an air traffic facility manager at numerous sites including Hawaii, an officer in charge of air traffic control maintenance and operator schools, and a resource sponsor for all United States Navy and Marine Corps air traffic control programs. He is currently responsible for federal and civil business development for Raytheon Company, concentrating his efforts on Federal Aviation Administration projects. He is a member of numerous aerospace organizations including the Aerospace Industries Association, Air Traffic Control Association, Aircraft Owners and Pilots Association, American Association of Airport Executives, and RTCA, a private, not-for-profit corporation that makes recommendations regarding communications, navigation, surveillance, and air traffic management system issues to the Federal Aviation Administration. Because of his vast experience in aviation, Mr. Olic has a keen understanding of the aerospace industry that will enable him to continue to make valuable contributions to the industry and to serve effectively on the Hawaii Aerospace Advisory Committee.

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, 4. Noes, none. Excused, 1 (Baker).

SCRep. 3500 Public Safety, Government Operations, and Military Affairs on Gov. Msg. Nos. 659, 660, 661, and 662.

Recommending that the Senate advise and consent to the nominations of the following:

CORRECTIONAL INDUSTRIES ADVISORY COMMITTEE

G.M. No. 659 DAVID MATSUURA, for a term to expire 6-30-2016;

G.M. No. 660 THOMAS SING, for a term to expire 6-30-2016;

G.M. No. 661 ANDREI SOTO, for a term to expire 6-30-2015; and

G.M. No. 662 JAMES WATARU, 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 Matsuura, Thomas Sing, Andrei Soto, and James Wataru to possess the requisite qualifications to be nominated to the Correctional Industries Advisory Committee.

DAVID MATSUURA

Your Committee received testimony in support of David Matsuura from the Department of Public Safety.

From 1998 to 2002 David Matsuura served as a Hawaii State Senator. Mr. Matsuura is from the Big Island and has considerable business experience in the private sector. He has served on the Correctional Industries Advisory Committee for four years. Mr. Matsuura believes in employing inmates and preparing them to transition back to the community. He has proven his value to the Committee in evaluating and assessing the correctional industries program in order to make improvements. Mr. Matsuura believes that the Correctional Industries Advisory Committee should collaborate with the Hawaii Paroling Authority to provide employment training for inmates who are near completion of their minimum terms.

THOMAS SING

Your Committee received testimony in support of Thomas Sing from the Department of Public Safety and one individual.

Thomas Sing is presently a member of the Correctional Industries Advisory Committee. He believes in helping people overcome a troubled life, which he sees as a common element in incarcerated individuals. Mr. Sing has hired parolees in the printing industry to learn a trade skill and become productive members of society. His employees who are former inmates are given the full benefits package of insurance and other prerequisites of employment. As a member of the Commission, he hopes to reduce the prison population and teach parolees a trade in order to reduce recidivism.

ANDREI SOTO

Your Committee received testimony in support of Andrei Soto from the Department of Public Safety and four individuals.

Andrei Soto has considerable experience as an employment services specialist. He recently retired from the Department of Labor and Industrial Relations where he had experience in workforce development, among other divisions. He is familiar with the Corrections Industries Program from his work for the Department of Public Safety, first as a Personnel Management Specialist concentrating in the area of personnel classification and then later as a Corrections Education Program Specialist focusing on vocational education and training. Mr. Soto has provided statewide staff assistance to administrative and branch personnel in planning, implementing, monitoring, and evaluating vocational education and training for adult inmates. Mr. Soto's contributions to the Correctional Industries Program to employ inmates and prepare them to transition back to the community will be very valuable.

JAMES WATARU

Your Committee received testimony in support of James Wataru from the Department of Public Safety; Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO; State of Hawaii Organization of Police Officers; United Public Workers; Hawaii Government Employees Association; and one individual.

James Wataru currently works for the Department of Accounting and General Services (DAGS) where he is in charge of plumbing at the State Capitol Building. He also serves on various community boards focusing on foster care. Mr. Wataru truly believes that given the right circumstances and the right opportunities, the Correctional Industries Program can make a difference and can change lives. He received his plumbing apprentice training from DAGS, so he believes in the importance of on-the-job training as a rehabilitative and reentry tool for inmates. He stated in his testimony that he will look into the possibility of using apprenticeship programs at DAGS for Correctional Industries Program purposes. Being a foster parent for the past twelve years has demonstrated to Mr. Wataru and his family that one person or family can absolutely make a difference in the life of a person thought to be destined for a life of crime and incarceration.

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, 4. Noes, none. Excused, 1 (Baker).

SCRep. 3501 Public Safety, Government Operations, and Military Affairs on Gov. Msg. No. 751.

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII PAROLING AUTHORITY

G.M. No. 751 BERT MATSUOKA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Bert Matsuoka to possess the requisite qualifications to be nominated to the Hawaii Paroling Authority.

Your Committee received testimony in support of Bert Matsuoka from the Department of Public Safety, Hawaii Paroling Authority, State Public Defender, Department of the Prosecuting Attorney of the City and County of Honolulu, Moiliili Hongwanji Mission, and five individuals.

Bert Matsuoka has been the Chair of the Hawaii Paroling Authority for the past year. He holds a Master's degree in Public Administration and Bachelor's degree in Sociology from the University of Hawaii at Manoa. Mr. Matsuoka's career includes more than twenty years in public service, initially as a metropolitan police officer with the Honolulu Police Department, and from 1980 as an investigator with the Department of Human Services Welfare Division. Mr. Matsuoka was promoted to manage the Restitution Control Section where he coordinated and conducted criminal and administrative investigations. In 1992, he administered the Volunteer Services Office where he was active in various community events that introduced him to many volunteers. In 1993, Mr. Matsuoka joined the Office of Youth Services as the Youth Gang Project Coordinator, and in January 1995 he was appointed the Executive Director of the Office of Youth Services.

The Department of Public Safety is working to return home Hawaii inmates placed out of state by developing and implementing a comprehensive reentry plan that will include expansion of in-state capacity and community-based programs to prepare inmates for their successful reintegration into the community. The Hawaii Paroling Authority is an integral part of the transitioning and reentry process. Mr. Matsuoka has made important contributions to developing a parole system that promotes public safety through effective and evidenced-based programs for transitioning inmates.

Mr. Matsuoka believes the process of parole needs to be recognized as complex and multi-faceted, and he seeks to collaborate and cooperate with the Department of Public Safety, other government agencies, non-profit organizations, and community groups in furtherance of improvements to the parole process. Because of his vast experience in administering rehabilitation programs of all types, he sees the importance of the potential contribution of the Correctional Industries Program to the inmate rehabilitation and reentry programs. Mr. Matsuoka also believes in the need to involve other departments, such as the Department of Health for parolee health care, Department of Labor and Industrial Relations for finding jobs for parolees, and the Department of Human Resources Development for parolee job training.

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, 4. Noes, none. Excused, 1 (Baker).

SCRep. 3502 Transportation and International Affairs on Gov. Msg. No. 849.

Recommending that the Senate advise and consent to the nomination of the following:

MEDICAL ADVISORY BOARD

G.M. No. 849 DENNIS CROWLEY, for a term to expire 6-30-2015,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Dennis Crowley to possess the requisite qualifications to be nominated to the Medical Advisory Board.

Your Committee received testimony in support of Dennis Crowley from the Department of Transportation.

Dr. Crowley's expertise in physical medicine and active participation as Chair of the Medical Advisory Board gives the Department of Transportation the sound advice needed to determine if a person is medically able to drive without harming oneself or others. His active participation at board meetings gives the Department the insight needed to keep roads and drivers safe.

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 (Gabbard, Kahele).

SCRep. 3503 Transportation and International Affairs on Gov. Msg. Nos. 850, 851, 852, 853, 854, and 855.

Recommending that the Senate advise and consent to the nominations of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 850 EDWARD HIRATA, for a term to expire 6-30-2016;

G.M. No. 851 GORDON HONG, for a term to expire 6-30-2015;

G.M. No. 852 JUSTIN KOLLAR, for a term to expire 6-30-2016;

G.M. No. 853 MITCHELL ROTH, for a term to expire 6-30-2016;

G.M. No. 854 MARK SCRIBNER, for a term to expire 6-30-2015; and

G.M. No. 855 JAN YOKOYAMA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Edward Hirata, Gordon Hong, Justin Kollar, Mitchell Roth, Mark Scribner, and Jan Yokoyama to possess the requisite qualifications to be nominated to the State Highway Safety Council.

Your Committee received testimony in support of Edward Hirata from the Department of Transportation.

Edward Hirata was the Director of Transportation for five years from 1986 to 1991. He also served as the Director of Transportation Services for the City and County of Honolulu, and is currently on the Board of the Oahu Transit Services. Mr. Hirata has experience in the private sector and with the Hawaiian Electric Company. As a civil engineer, Mr. Hirata has received numerous professional awards and commendations.

Mr. Hirata is particularly concerned with implementing the Department of Transportation's five-year Strategic Highway Safety Plan to improve traffic safety in collaboration with experts from government and community agencies statewide.

Your Committee received testimony in support of Gordon Hong from the Department of Transportation.

Gordon Hong has experience with the Department of Transportation as a Highway Safety Specialist, the Department of Budget of the City and County of Honolulu as a Fiscal Analyst III, and the Department of Personnel Services as a Personnel Management Specialist. His goal is to help reduce highway traffic fatalities by gearing efforts to the most important areas of concern that make the greatest difference in saving lives and preventing injuries.

Your Committee received testimony in support of Justin Kollar from the Department of Transportation, Mayor of the County of Kauai, Kauai Police Department, and two individuals.

Justin Kollar is currently a Deputy County Attorney, County of Kauai Office of the County Attorney and previously served as a Deputy Prosecuting Attorney, County of Kauai Office of the Prosecuting Attorney, when he handled a multitude of drunk driving and vehicle manslaughter cases. He presently serves as legal advisor to the Kauai Police Department. His experience has allowed him to forge excellent working relations with the police and prosecutors on Kauai in working on highway safety initiatives.

Your Committee received testimony in support of Mitchell Roth from the Department of Transportation.

Mitchell Roth is currently a Deputy Prosecuting Attorney for the County of Hawaii. He received the Outstanding Service Award for 2011 from Mothers Against Drunk Driving. As a Deputy Prosecuting Attorney for eighteen years, Mr. Roth has prosecuted many traffic cases, drunk driving cases, and vehicular negligent homicide cases. His goal is to help reduce the number of traffic crashes, injuries, and deaths on Hawaii's highways.

Your Committee received testimony in support of Mark Scribner from the Department of Transportation.

Mark Scribner is currently a Police Lieutenant with the Kauai Police Department. In his twenty-five years of experience as a police officer, he has conducted traffic enforcement, traffic accident reporting, traffic investigations, and traffic scene management, and has formulated and implemented traffic safety plans.

Your Committee received testimony in support of Jan Yokoyama from the Department of Transportation, North Hawaii Outcomes Project, and one individual.

Jan Yokoyama has experience in traffic safety from her service on the Mayor's Highway Safety Council, North Hawaii Outcomes Project Motor Vehicle Crash Reduction Group, and Hawaii County Impaired Driving Task Force. She has also been a child passenger technician for five years. Her diverse experience with traffic safety groups has enabled her to collaborate with different partners associated with highway safety.

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, Kahele).

SCRep. 3504 Transportation and International Affairs on Gov. Msg. No. 871.

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII SISTER STATE COMMITTEE

G.M. No. 871 THANH LO SANANIKONE, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Thanh Lo Sananikone to possess the requisite qualifications to be nominated to the Hawaii's Sister State Committee.

Your Committee received testimony in support of Thanh Lo Sananikone from the Department of Business, Economic Development, and Tourism and East-West Center.

Thanh Lo Sananikone received a Bachelor of Science degree in chemistry and microbiology and a Master of Public Health degree from the University of Hawaii at Manoa. She is currently Managing Director of Pacific Management Resources (PacMar), an international multi-disciplinary consulting firm providing business and project planning advisory services to promote economic development and growth throughout the Asia-Pacific regions. PacMar seeks innovative ways to turn project and business concepts into viable enterprises and seeks to identify and devise strategies to overcome impediments to business success.

In addition to being a well-known business management consultant, in 1985, Ms. Sananikone helped found the Mutual Assistance Associations Center, a nonprofit community-based organization serving a wide range of refugees and immigrants from Southeast Asia and Samoa. She also presently serves on the Hawaii State Sister Committee and is on the board of directors of numerous non-profit and community organizations engaged in international trade and humanitarian efforts.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, Espero, Gabbard).

SCRep. 3505 Economic Development and Technology on Gov. Msg. No. 904.

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

G.M. No. 904 DEREK LAU, for a term to expire 6-30-2015, as amended by G.M. No. 922,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Derek Lau 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 Derek Lau from the High Technology Development Corporation, Hawaii Association of REALTORS, Honolulu Board of REALTORS, Wells Fargo Home Mortgage, Island Snow Hawaii, United Cerebral Palsy of Hawaii, Analyzer, and three individuals.

Derek Lau is President and Principal Broker of Real Estate Specialists, LLC, a firm specializing in commercial and residential real estate sales and leases, as well as President and Owner of InkScream Inc., a technical software consulting business. In addition to his real estate and consulting work, Mr. Lau has nearly a decade of experience as a software design engineer with Data House, Inc. He is a graduate of the University of Oregon with a Bachelor of Science in Computer and Information Science. He is a member of several state and national realtor organizations as well as a member of the Board of Directors of the United Cerebral Palsy Association.

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

SCRep. 3506 Health on Gov. Msg. Nos. 706, 707, 708, 709, and 710.

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, KAUA'I SUBAREA

G.M. No. 706 BRIAN CARTER, for a term to expire 6-30-2015;

G.M. No. 707 CHARLOTTE CARVALHO, for a term to expire 6-30-2016;

G.M. No. 708 PIIKEA KEYES-SAIKI, for a term to expire 6-30-2015;

G.M. No. 709 BETTY MOORE, for a term to expire 6-30-2016; and

G.M. No. 710 DEANNA STARINIERI, 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 Carter, Charlotte Carvalho, Piikea Keyes-Saiki, Betty Moore, and Deanna Starinieri to possess the requisite qualifications to be nominated to the Health Planning Council, Kaua'i Subarea.

BRIAN CARTER

Your Committee received testimony in support of the nomination of Brian Carter from the Department of Health and one individual.

Mr. Carter is the Managing Pharmacist and Partner at Westside Pharmacy. He is a proponent of living a healthy, active lifestyle as evidenced by his membership on the board of the Pu'uwai Canoe Club as well as his position as Race Director for the TriKauai triathlon series. Mr. Carter has an active interest in legislation relating to health, is active in the community, and is a supporter of preventive medicine.

CHARLOTTE CARVALHO

Your Committee received testimony in support of the nomination of Charlotte Carvalho from the Department of Health and three individuals.

Ms. Carvalho is a Licensed Social Worker working in private practice to offer social work services for the elderly and the medically frail. Prior to this, she served as a Medical Social Worker at The Rehabilitation Hospital of the Pacific and as a Medical Social Work Consultant to St. Francis Home Care in Kauai to provide case management to frail and elderly clients and to coordinate in-home services. Given the knowledge she has gained regarding hospital organization, grants, planning, program review, fiscal feasibility, and other such factors over the course of her thirty-year career, Ms. Carvalho will be a very valuable asset to the Council.

PIIKEA KEYES-SAIKI

Your Committee received testimony in support of the nomination of Piikea Keyes-Saiki from the Department of Health and five individuals.

Ms. Keyes-Saiki is the Physician Employment Officer for the Hawaii Health Systems Corporation, Kauai Region. She has worked for over twenty-four years on Kauai and is familiar with the issues and challenges regarding the delivery of care on the island. Ms. Keyes-Saiki has experience in public relations and marketing, occupational health program management, and physician and clinical staff recruitment and retention and has worked closely with physicians and leadership at both of the health care facilities on Kauai.

BETTY MOORE

Your Committee received testimony in support of the nomination of Betty Moore from the Department of Health.

Ms. Moore is a retired Real Estate Agent who is very active in the community. She has served on the Wilcox Foundation Board, Wilcox Auxiliary, and Sun Village Community Association, and with the County of Kauai, Agency on Elderly Affairs. Ms. Moore has served a four-year term on the Council.

DEANNA STARINIERI

Your Committee received testimony in support of the nomination of Deanna Starinieri from the Department of Health.

Ms. Starinieri is a nurse who retired from Liberty Dialysis in November 2011, but continues to serve in the same capacity in an interim position. She has over forty years of experience as a nurse, of which twenty-two were spent working to provide dialysis services. Ms. Starinieri previously served as a Nurse Manager, Patient Care Coordinator, and Facility Manager at various health care facilities. She is also a certified healing touch practitioner and certified holistic nurse.

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, Wakai, Slom).

SCRep. 3507 Health on Gov. Msg. Nos. 711, 712, 713, 714, and 715.

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, TRI-ISLE SUBAREA

- G.M. No. 711 JO-ANN AHUNA, for a term to expire 6-30-2014;
- G.M. No. 712 MARY CATIEL, for a term to expire 6-30-2016;
- G.M. No. 713 RUSSELL JOHNSON, for a term to expire 6-30-2015;
- G.M. No. 714 MAUREEN NAGANUMA, for a term to expire 6-30-2015; and
- G.M. No. 715 WILLIAM THOMAS JR., for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Jo-Ann Ahuna, Mary Catiel, Russell Johnson, Maureen Naganuma, and William Thomas Jr. to possess the requisite qualifications to be nominated to the Health Planning Council, Tri-Isle Subarea.

JO-ANN AHUNA

Your Committee received testimony in support of the nomination of Jo-Ann Ahuna from the Department of Health and one individual.

Ms. Ahuna is a resident of Hana and the Vice Chair of the Health Planning Council, Tri-Isle Subarea. She has served on this Council since 2007 and has contributed much to the Council during its deliberations. Ms. Ahuna has also served on the Maui County Cultural Resource Commission, Advisory Board for Hana, and Hana Community Association.

MARY CATIEL

Your Committee received testimony in support of the nomination of Mary Catiel from the Department of Health and three individuals.

Prior to retirement, Ms. Catiel served as the Director of Nursing and Interim Administrator at Lanai Community Hospital. She has over forty-six years of experience as a registered nurse and is still active with the Maui County Office on Aging. Ms. Catiel's many years of professional experience in her community and long-time residence on Lanai will provide knowledgeable representation for the people of Lanai.

RUSSELL JOHNSON

Your Committee received testimony in support of the nomination of Russell Johnson from the Department of Health.

Prior to retirement, Mr. Johnson was the Regional Chief Financial Officer of Maui Memorial Medical Center. His background is in accounting and administrative management, and Mr. Johnson is very familiar with the challenges inherent in delivering and improving health care while trying to control costs. Mr. Johnson will ensure that the financial aspects of the Council's discussions are addressed and will provide many significant contributions.

MAUREEN NAGANUMA

Your Committee received testimony in support of the nomination of Maureen Naganuma from the Department of Health and six individuals.

Ms. Naganuma is the Director of Project Development for Liberty Dialysis-Hawaii LLC. Ms. Naganuma has nearly forty years of experience in nursing, hospital management, and dialysis. In the mid-1970s, she worked with the Maui County government, federal Centers for Medicare & Medicaid Services, and Hana residents to establish a communal home dialysis program in Hana, which alleviated the difficult five-hour trip several times a week that was required for those who sought dialysis services. Ms. Naganuma has a demonstrated interest in the wellbeing of her community, and her membership will be a great asset to the Council.

WILLIAM THOMAS JR.

Your Committee received testimony in support of the nomination of William Thomas Jr. from the Department of Health.

Dr. Thomas is the Medical Director of Clinical and Internal Affairs and the Chief of Staff at Molokai General Hospital. Dr. Thomas has received numerous awards and has been recognized by various facilities as the Outstanding Resident of the Year and Most Compassionate Resident of the Year. Dr. Thomas has served for one term on the Council and will continue to provide valuable insight to benefit the Council's deliberations.

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, Wakai, Slom).

SCRep. 3508 Health on Gov. Msg. Nos. 716, 717, 719, and 720.

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, WEST O'AHU SUBAREA

- G.M. No. 716 NANCY FRAZIER, for a term to expire 6-30-2016;
- G.M. No. 717 ROBERT LUMAS, for a term to expire 6-30-2015;
- G.M. No. 719 JILL TAMASHIRO, for a term to expire 6-30-2015; and
- G.M. No. 720 LESLIE TANOUE, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Nancy Frazier, Robert Lumas, Jill Tamashiro, and Leslie Tanoue to possess the requisite qualifications to be nominated to the Health Planning Council, West O'ahu Subarea.

Your Committee received testimony in support of the nomination of Nancy Frazier from the Department of Health and five individuals.

Ms. Frazier is a Parish Nurse with over thirty years of experience who currently works at St. Francis Healthcare System of Hawaii and serves to conduct community outreach with a focus on teaching children healthy habits and diabetes prevention. She has also made health presentations; arranged for classes and clinics on topics including hygiene, women's health, and healthy hearts; and was instrumental in the institution of a monthly post-mass blood pressure clinic at a local church. Prior to this, she worked at Pacificare, a nonprofit HIV-AIDS service organization, and as a volunteer with Aloha Medical Mission. Ms. Frazier has served on the council since 2009 and will continue to bolster and effectuate the council's goals.

Your Committee received testimony in support of the nomination of Robert Lumas from the Department of Health.

Mr. Lumas is a registered nurse who works as a Standardization Program Manager at Tripler Army Medical Center. In addition to this, he works on-call as a Staff Nurse at the Pali Momi Medical Center and the Waianae Coast Comprehensive Health Center and as a per diem Staff Nurse at various emergency departments. Mr. Lumas has over twenty years of experience in health care, working for the military as a Patient Administration Specialist, at private hospitals and for the U.S. Department of Veterans Affairs, and as a Staff Nurse and a Nurse Manager in Hawaii and American Samoa. His various positions and work-related travels have exposed him to the various cultural and socioeconomic challenges that patients and health care providers face together.

Your Committee received testimony in support of the nomination of Jill Tamashiro from the Department of Health and two individuals.

Ms. Tamashiro has a Master's degree in public health and is a Program Specialist with the Department of Health's Chronic Disease Management and Control Branch. Ms. Tamashiro has also worked as an Education Specialist at the Waianae Coast Comprehensive Health Center, Occupational Therapist at The Queen's Medical Center, and most recently as the Early Intervention Program Coordinator for the National Kidney Foundation of Hawaii, where she arranged the foundation's efforts to conduct free comprehensive health screenings and learned much about state regulations relating to the delivery of health services and community health needs.

Your Committee received testimony in support of the nomination of Leslie Tanoue from the Department of Health.

Ms. Tanoue works for Alu Like, Inc., and is the Interim Director of the Hookahua Department, which provides services to families with young children, and the Kulia Like Department, which provides information and referral services to support financial literacy. She has a Master's degree in public health, training in gerontology, and serves on the Department of Health's Healthy Aging Partnership. Ms. Tanoue also currently serves as the Vice Chair of the Health Planning Council, West O'ahu Subarea.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the 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. 3509 Health on Gov. Msg. Nos. 721, 722, and 723.

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, WINDWARD O'AHU SUBAREA

- G.M. No. 721 OCTAVIUS GONZAGA, for a term to expire 6-30-2015;
G.M. No. 722 MEGAN HAGIWARA, for a term to expire 6-30-2015; and
G.M. No. 723 MARIA PACHECO, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Octavius Gonzaga, Megan Hagiwara, and Maria Pacheco to possess the requisite qualifications to be nominated to the Health Planning Council, Windward O'ahu Subarea.

Your Committee received testimony in support of the nomination of Octavius Gonzaga from the Department of Health.

Mr. Gonzaga has eight years of experience in the management of hospital finances and eleven years of experience in the financial planning, forecasting, management, and administration of a community health center, including six years as a Chief Financial Officer. Mr. Gonzaga is the Financial Director of Ku Aloha Ola Mau and previously served as the Finance Manager at Ko'olauloa Community Health and Wellness Center, Incorporated, and Finance Director at Livingston Medical Group in California, among other positions. Mr. Gonzaga has been an active member of the Health Planning Council and his financial expertise will continue to benefit the Council.

Your Committee received testimony in support of the nomination of Megan Hagiwara from the Department of Health.

Ms. Hagiwara has a Master's degree in public health with a concentration in epidemiology. She is currently the Tobacco Program Coordinator for the Kokua Kalihi Valley (Comprehensive Family Services). Prior to this, she was a Research Assistant at the Hawaii/Pacific Basin Area Health Education Center and an Epidemiology Specialist at the Department of Health. Ms. Hagiwara has served on the Health Planning Council, Windward O'ahu Subarea, for a previous term and her education and career experiences will enable her to continue to provide a valuable perspective to the council.

Your Committee received testimony in support of the nomination of Maria Pacheco from the Department of Health.

Ms. Pacheco is a real estate agent with Honolulu Real Estate, LLC, and also serves as the site manager for Kulima Estates East. Ms. Pacheco was a board member of the Ko'olauloa Community Health and Wellness Center, Incorporated, for six years and served as the President and Vice President. She is now a board member of the Kahuku Community Association in addition to serving on the Health Planning Council, where she will continue to provide a broad perspective.

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, 6. Noes, none. Excused, 1 (Slom).

SCRep. 3510 Health on Gov. Msg. No. 756.

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF CERTIFICATION OF OPERATING PERSONNEL IN WASTEWATER TREATMENT PLANTS

- G.M. No. 756 LILIAN STODDARD, for a term to expire 6-30-2015,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Lilian Stoddard to possess the requisite qualifications to be nominated to the Board of Certification of Operating Personnel in Wastewater Treatment Plants.

Your Committee received testimony in support of the nomination of Lilian Stoddard from the Department of Health.

Ms. Stoddard is the Sludge Program Manager for the Wastewater Branch of the Department of Health. She has worked at the Wastewater Branch for over twelve years inspecting thirteen wastewater treatment plants to ensure that pollutants are not discharged into the State's waters. Ms. Stoddard has a Bachelor of Science degree in civil engineering from Stanford University and over twenty years of experience in wastewater and environmental engineering. Ms. Stoddard will represent the Department of Health on this Board and provide a practical perspective regarding the operations of 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 (Baker, Wakai, Slom).

SCRep. 3511 Health on Gov. Msg. Nos. 789, 790, 791, and 792.

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 789 LAURA COLBERT, for a term to expire 6-30-2016;

G.M. No. 790 LEONARD LICINA, for a term to expire 6-30-2016;

G.M. No. 791 CHRISTOPHER SIBLEY, for a term to expire 6-30-2013; and

G.M. No. 792 CLINTON YEE, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Laura Colbert, Leonard Licina, Christopher Sibley, and Clinton Yee to possess the requisite qualifications to be nominated to the Statewide Health Coordinating Council.

LAURA COLBERT

Your Committee received testimony in support of the nomination of Laura Colbert from the Department of Health and four individuals.

Ms. Colbert is a Business Consultant with St. Francis Healthcare System of Hawaii. She has many years of executive management experience, including positions as the Vice President and Director of Operations for Liberty Dialysis-Hawaii and as the President and Chief Executive Officer of Lanakila Pacific. With over twelve years in the health care arena, Ms. Colbert's financial approach to operations will aid the Statewide Health Coordinating Council in making fiscally sound decisions.

LEONARD LICINA

Your Committee received testimony in support of the nomination of Leonard Licina from the Department of Health, Healthcare Association of Hawaii, and one individual.

Mr. Licina has been the Chief Executive Officer of Kahi Mohala for five years and was previously the Chief Financial Officer for twelve years. With over thirty years in health care administration in Hawaii, he is acutely aware of the difficult choices that residents must make regarding all aspects of wellbeing based on cost. Mr. Licina has a long history of working closely with the Department of Health and Department of Human Services, and his experiences as the leader of the State's only private, freestanding psychiatric hospital during a time of state and federal budget cuts, economic pressure, and an increased demand for mental health services will be of great value to this Council.

CHRISTOPHER SIBLEY

Your Committee received testimony in support of the nomination of Christopher Sibley from the Department of Health and three individuals.

Mr. Sibley is the Business Project Planning Manager for HMSA BSH, Inc. He has had many leadership positions with community organizations, including Chair of the American Cancer Society and President of the Rotary Club of Honolulu Sunrise. Mr. Sibley has served for eight years on the Health Planning Council, Windward Oahu Subarea. Given his administrative and business expertise as well as his personal experience with treating cancer, Mr. Sibley is able to represent the values and concerns of consumers that are affected by the Council's decisions as well as provider issues.

CLINTON YEE

Your Committee received testimony in support of the nomination of Clinton Yee from the Department of Health and five individuals.

Mr. Yee is the Corporate Controller for The Queen's Health Systems, prior to which he was a Controller at Hawai'i Pacific Health, Healthcare Consultant with the Hawaii Health Systems Corporation, and Assurance Senior Manager at KPMG LLP. With twelve years of experience in the health care provider industry, his responsibilities have included debt financing, system analytics, government reimbursement, and taxes. Mr. Yee's technical accounting, auditing, and finance skills qualify him to make significant contributions to this Council. Furthermore, he will ensure that the provider's perspective is represented during deliberations as he understands the capital budgeting process and the decision-making processes for new hospital programs and expanded levels of service.

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 (Shimabukuro, Wakai, Slom).

SCRep. 3512 Health on Gov. Msg. Nos. 800, 801, 802, 803, and 804.

Recommending that the Senate advise and consent to the nominations of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

G.M. No. 800 ERIC ISHIDA, for a term to expire 6-30-2016;

G.M. No. 801 ALAN KIMURA, for a term to expire 6-30-2016;

- G.M. No. 802 WILLIAM LEE, for a term to expire 6-30-2016;
 G.M. No. 803 THINH NGUYEN, for a term to expire 6-30-2015; and
 G.M. No. 804 CHRIS ROSE, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Eric Ishida, Alan Kimura, William Lee, Thinh Nguyen, and Chris Rose to possess the requisite qualifications to be nominated to the Emergency Medical Services Advisory Committee.

ERIC ISHIDA

Your Committee received testimony in support of the nomination of Eric Ishida from the Department of Health and one individual.

Mr. Ishida is a Mobile Intensive Care Technician and an Ambulance Station Supervisor for American Medical Response as well as an Emergency Room Nurse at Wilcox Memorial Hospital in Lihue. He has twenty years of experience in emergency medical services, including the sixteen years spent as a Supervisor. The breadth of Mr. Ishida's professional experiences ensures that he will make significant contributions to the deliberations of this Committee.

ALAN KIMURA

Your Committee received testimony in support of the nomination of Alan Kimura from the Department of Health and one individual.

Mr. Kimura was the Commissioner of the State Health Planning and Development Agency for eight years. He has a demonstrated interest in his community, serving as a coach for a multitude of sports for ten years. Mr. Kimura has served on the Emergency Medical Services Advisory Committee for the past year as a consumer advocate representing Kauai, and his continued service will be an asset to the Committee.

WILLIAM LEE

Your Committee received testimony in support of the nomination of William Lee from the Department of Health and one individual.

Dr. Lee is the Chief of the Department of Emergency Services and the Division of Acute Care Services at Straub Clinic & Hospital. His work has allowed him to interact with the emergency medical services system on a daily basis, and Dr. Lee understands the difficulties in delivering care from the perspectives of paramedics and health care facilities. Dr. Lee also has a Master of Business Administration degree in health care administration.

THINH NGUYEN

Your Committee received testimony in support of the nomination of Thinh Nguyen from the Department of Health.

Dr. Nguyen is an Attending Physician at several emergency departments on Oahu. Prior to attending medical school, he worked as an Emergency Medical Technician-Paramedic. His work with air ambulances has allowed him to provide insight regarding the emergency medical services needs of neighbor island residents and the challenges faced by hospitals and providers when patients need to be transferred from a neighbor island.

CHRIS ROSE

Your Committee received testimony in support of the nomination of Chris Rose from the Department of Health and one individual.

Mr. Rose is a Mobile Intensive Care Technician with American Medical Response. Mr. Rose has worked for nineteen years in the provision of emergency medical services. From 1999-2008, he served as an Aeromedical Support Mobile Intensive Care Technician and a Flight Medic and Supply Officer, and his experiences with the emergency inter-isle transport of critically ill patients will be of great value to this 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 (Shimabukuro, Wakai, Slom).

SCRep. 3513 Health on Gov. Msg. Nos. 887, 888, 889, and 890.

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

- G.M. No. 887 KATHLEEN CLARK, for a term to expire 6-30-2016;
 G.M. No. 888 WAYNE HIGAKI, for a term to expire 6-30-2014;
 G.M. No. 889 KEITH LEE, for a term to expire 6-30-2016; and
 G.M. No. 890 FREDERICK SHAW, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Kathleen Clark, Wayne Higaki, Keith Lee, and Frederick Shaw to possess the requisite qualifications to be nominated to the Statewide Health Coordinating Council.

KATHLEEN CLARK

Your Committee received testimony in support of the nomination of Kathleen Clark from the Department of Health, Healthcare Association of Hawaii, and three individuals.

Ms. Clark is the President and Chief Executive Officer of Wilcox Memorial Hospital in Lihue. As a registered nurse with a Master of Business Administration degree, Ms. Clark brings a unique skill set to her line of work. In over thirty years in health care she has taken on the responsibilities of the Director of Nursing, Manager of an emergency and trauma center, Staff Nurse, and Clinical Nurse, among other things. Ms. Clark's breadth of professional experience qualifies her for membership on the Statewide Health Coordinating Council.

WAYNE HIGAKI

Your Committee received testimony in support of the nomination of Wayne Higaki from the Department of Health, Healthcare Association of Hawaii, and three individuals.

Mr. Higaki is the Vice President of Public Affairs for North Hawaii Community Hospital, Inc., and has been involved in health care for twenty-eight years. Mr. Higaki has a demonstrated commitment to his community, as evidenced by his service as Chair of the County of Hawaii Workforce Investment Board and his membership with the Rotary Club of North Hawaii. Mr. Higaki previously served on the Statewide Health Coordinating Council and the Health Planning Council, Hawaii County Subarea, for eight years, and his knowledge of the issues and concerns regarding health care services on the island of Hawaii and across the State have been very valuable to both councils.

KEITH LEE

Your Committee received testimony in support of the nomination of Keith Lee from the Department of Health, Papa Ola Lokahi, and six individuals.

Mr. Lee is the Principal of Lee Law Office, a Limited Liability Law Company that specializes in the issues and concerns that surround the provision of health care services. He has also served as Legal Counsel to HMSA BSH, Inc., and Kaiser Foundation Health Plan, Inc., and has over twenty-five years of experience in working with the law. Mr. Lee has been an active, conscientious, and valuable member of the Statewide Health Coordinating Council and the Health Planning Council, Honolulu Subarea, for the past four years, and his continued service will be a great asset to the deliberations of this Council.

FREDERICK SHAW

Your Committee received testimony in support of the nomination of Frederick Shaw from the Department of Health and four individuals.

Mr. Shaw is the Senior Analyst of Medical Economics for Kaiser Permanente and has worked in information technology and finance positions at AlohaCare, Waianae Coast Comprehensive Health Center, and HMSA BSH, Inc. He has served for multiple terms on the Health Planning Council, West Oahu Subarea, and has worked with multiple community organizations in Waianae. Mr. Shaw also has extensive knowledge of the issues and concerns regarding health care services across the State.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Slom).

SCRep. 3514 Health on Gov. Msg. Nos. 538, 539, 541, 542, 601, and 602.

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 538 ELAINE SLAVINSKY, for a term to expire 6-30-2016;

G.M. No. 539 EMMET WHITE, for a term to expire 6-30-2015;

G.M. No. 541 THOMAS SCOTT GALLACHER, for a term to expire 6-30-2014;

G.M. No. 542 BONNIE LEE PANG, for a term to expire 6-30-2015;

G.M. No. 601 FREDERICK ROHLFING, for a term to expire 6-30-2016; and

G.M. No. 602 JILL MIYAMURA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Elaine Slavinsky, Emmet White, Thomas Scott Gallacher, Bonnie Lee Pang, Frederick Rohlfing, and Jill Miyamura to possess the requisite qualifications to be nominated to the Statewide Health Coordinating Council.

ELAINE SLAVINSKY

Your Committee received testimony in support of the nomination of Elaine Slavinsky from the Department of Health.

Ms. Slavinsky is a registered nurse and is currently working with the County of Maui, Office on Aging and completing her eighth year as a member of the Health Planning Council, Tri-Isle Subarea. She served previously as Program Coordinator for the Alzheimer's Association – Aloha Chapter on Maui; Clinical Director of Hospice Maui, Inc.; and Director of Nursing at Maui Memorial Medical

Center. Ms. Slavinsky has a Bachelor's degree in political science and Master's degrees in educational administration as well as public health. She has been in various health care positions for more than thirty-five years on three different islands in the State and was named the Hawaii Nurse of the Year in 2001.

EMMET WHITE

Your Committee received testimony in support of the nomination of Emmet White from the Department of Health and three individuals.

Mr. White has been the President and Chief Executive Officer of Arcadia Retirement Residence for over sixteen years. As a licensed nursing home administrator and assisted living administrator, Mr. White is also the present Chair of the Hawaii Long Term Care Association and has served on the Health Planning Council, Honolulu Subarea, for the past eight years. Prior to his current position, Mr. White practiced law in Honolulu for twenty-three years. Mr. White has provided a wealth of information regarding senior living and the challenges that come with aging and will continue to do so as part of the Statewide Health Coordinating Council.

THOMAS SCOTT GALLACHER

Your Committee received testimony in support of the nomination of Thomas Gallacher from the Department of Health and four individuals.

Dr. Gallacher is the Medical Director of the Intensive Care Unit and Assistant Chief of Medicine at The Queen's Medical Center and Assistant Professor of Medicine at the John A. Burns School of Medicine, among other things. He has also received numerous awards, including The Queen's Medical Center's Ke Kauka Po'okela in 2006, which recognizes the Physician of the Year. Dr. Gallacher is committed to making health more accessible, especially for Native Hawaiians. With the support of The Queen's Medical Center, he has set up a pulmonary and sleep clinic on Molokai to service the predominantly Native Hawaiian population and a tele-medicine program that links physicians with patients in Molokai.

BONNIE LEE PANG

Your Committee received testimony in support of the nomination of Bonnie Lee Pang from the Department of Health and four individuals.

Ms. Pang is Benefit Consulting Manager at Atlas Insurance Agency, Inc., and was previously a Market Business Leader and Principal for Mercer Health & Benefits LLC; Accounts Manager for Kaiser Foundation Health Plan, Inc.; and Presentation and Communications Coordinator for HMSA BSH, Inc. Over seventeen years in the insurance industry has allowed her to foster many professional relationships with the various organizations and businesses in the State for which health care is a concern. Ms. Pang has previously served as a member of the Health Planning Council, Windward Oahu Subarea.

FREDERICK ROHLFING

Your Committee received testimony in support of the nomination of Frederick Rohlffing from the Department of Health.

Mr. Rohlffing is a retired lawyer and a former member of the Hawaii State Legislature. His career history includes work as the Minority Floor Leader and Minority Leader in the House of Representatives, Minority Policy Leader during his term as a Senator, private and public legal practice, federal Magistrate Judge for the County of Maui, and Senior Naval Intelligence Officer for thirty-six years. Mr. Rohlffing served a previous four-year term on the Health Planning Council.

JILL MIYAMURA

Your Committee received testimony in support of the nomination of Jill Miyamura from the Department of Health.

Dr. Miyamura is the Vice President and Chief Operating Officer of the Hawaii Health Information Corporation and is responsible for corporate operations and product development. Her previous employment includes work as the Director of Clinical Outcomes and Research, Manager of Quality Management at Straub Clinic & Hospital, and Assistant Professor at the University of Hawaii's Department of Food Science and Human Nutrition. With over twenty years of work in Hawaii's health care industry, Dr. Miyamura will be a valuable asset to the Council.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Slom).

SCRep. 3515 Health on Gov. Msg. No. 544.

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, KAUA'I SERVICE AREA BOARD

G.M. No. 544 MONICA CONTRADES, for a term to expire 6-30-2015,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Monica Contrades 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 Monica Contrades from the Department of Health and one individual.

Ms. Contrades has been a mental health consumer for the past forty-six years and is a vocal advocate for people facing mental health challenges. For the past two years, she has been an active member of the Friendship House on Kauai; the Consumer, Family,

and Youth Hui; and a speakers' bureau. Through her involvement in these organizations, Ms. Contrades has shared her story with numerous community groups, including Aloha United Way, Inc., and the Rotary Club of Kauai. Her special concerns are in regard to the needs of consumers and reducing the stigma of mental illness.

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 (Baker, Wakai, Slom).

SCRep. 3516 Health on Gov. Msg. Nos. 545, 546, 547, and 548.

Recommending that the Senate advise and consent to the nominations of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, MAUI SERVICE AREA BOARD

- G.M. No. 545 MICHAEL ZARATE, for a term to expire 6-30-2013;
- G.M. No. 546 SUSAN KING, for a term to expire 6-30-2016;
- G.M. No. 547 ALFRED ARENSDORF, for a term to expire 6-30-2016; and
- G.M. No. 548 KEVIN BLOCK, 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 Zarate, Susan King, Alfred Arensdorf, and Kevin Block to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, Maui Service Area Board.

MICHAEL ZARATE

Your Committee received testimony in support of the nomination of Michael Zarate from the Department of Health and the Consumer, Family, and Youth Alliance.

Mr. Zarate is a Peer Specialist with Aloha House, Inc. He is pursuing a Bachelor's degree in human services and has been involved with several Native Hawaiian organizations. He has extensive experience working with the local community and has served on numerous boards and commissions, including the Council for Native Hawaiian Advancement. Mr. Zarate's familiarity with and understanding of the cultural needs of his community equip him to effectively voice their concerns to this Board.

SUSAN KING

Your Committee received testimony in support of the nomination of Susan King from the Department of Health and the Consumer, Family, and Youth Alliance.

Ms. King is a Mental Health Consumer Advocate and has worked with the Maui Consumer, Family, and Youth Hui to co-chair two successful conferences. She organized the BRIDGES (Building Recovery of Individual's Dreams and Goals through Education and Support) group on Maui to keep consumers engaged and supported when Furlough Fridays were instituted two years ago, and this group is still active today. Ms. King is actively involved with several boards and is the Chair of the Board for United Self-Help.

ALFRED ARENSDORF

Your Committee received testimony in support of the nomination of Alfred Arensdorf from the Department of Health, Hawaii Medical Association, and Catholic Charities Hawaii.

Dr. Arensdorf is a Clinical Professor at the John A. Burns School of Medicine's Department of Psychiatry. Previously, he was the Medical Director of the Department of Health's Child and Adolescent Mental Health Division. Dr. Arensdorf is trained in disaster mental health and psychological first aid and has volunteered to work with victims of Hurricanes Katrina and Rita in the immediate aftermath of those natural disasters. He has also won several awards for his service and is active with numerous community organizations.

KEVIN BLOCK

Your Committee received testimony in support of the nomination of Kevin Block from the Department of Health.

Mr. Block is the Immigrant Services Program Coordinator for the Maui County Department of Housing and Human Concerns. His focus is on issues such as incarceration, substance abuse, and justice reinvestment for immigrant populations. He has a Juris Doctor degree and recently sat for the state bar exam. Mr. Block has been very involved in policy advocacy for vulnerable populations including immigrant women, Micronesian persons, and undocumented aliens and is a member of the Hawaii Coalition for Immigration Reform, Maui County Domestic Violence Task Force, and Homeless Alliance, among others. Mr. Block is intimately familiar with the recovery process and his educational, professional, and personal background will make him a significant asset to this 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, Wakai, Slom).

SCRep. 3517 Health on Gov. Msg. Nos. 549, 550, 551, and 552.

Recommending that the Senate advise and consent to the nominations of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, O'AHU SERVICE AREA BOARD

- G.M. No. 549 DANIEL EINEKER, for a term to expire 6-30-2016;
 G.M. No. 550 PATRICK BROWN, for a term to expire 6-30-2014;
 G.M. No. 551 LESTER FUNG, for a term to expire 6-30-2015; and
 G.M. No. 552 TARYN DEAN, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Daniel Eineker, Patrick Brown, Lester Fung, and Taryn Dean to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, O'ahu Service Area Board.

DANIEL EINEKER

Your Committee received testimony in support of the nomination of Daniel Eineker from the Department of Health; Consumer, Family, & Youth Alliance; and one individual.

Mr. Eineker is an accountant in the Department of Health, WIC Services Branch. He has a Bachelor of Science degree in economics and a Master of Business Administration degree in general management with a concentration in finance. Mr. Eineker has served on the Board of Directors for United Self-Help and the Camp Fire Councils. With over thirty years of financial management experience in New Mexico and Hawaii, Mr. Eineker's personal and professional experiences will allow him to make significant contributions during the deliberations of the Mental Health and Substance Abuse, Oahu Service Area Board.

PATRICK BROWN

Your Committee received testimony in support of the nomination of Patrick Brown from the Department of Health.

Dr. Brown retired from the Senior Executive Service, United States Agency for International Development. As the parent of an adult who suffered from alcoholism and bipolar disorder, Dr. Brown has twenty years of experience working and living with children who have a mental illness or drug addiction and has garnered knowledge of treatment and state-supported resources for such individuals. He and his wife have also written a book for families about addiction and have worked for ten years with Catholic Charities Hawaii's Na Ohana Pulama program, which cares for children who have not succeeded in normal foster care programs, usually because of serious emotional disturbances.

LESTER FUNG

Your Committee received testimony in support of the nomination of Lester Fung from the Department of Health; Consumer, Family, & Youth Alliance; and one individual.

Mr. Fung has been a very strong advocate for individuals with mental illness and has a keen interest in policy regarding such individuals. He has a degree in political science and his education included a practicum with the National Alliance on Mental Illness Hawaii where he worked with related legislation. Mr. Fung will provide a voice for consumers of mental illness.

TARYN DEAN

Your Committee received testimony in support of the nomination of Taryn Dean from the Department of Health.

Ms. Dean is a Licensed Clinical Consultant for the United States Marine Corps, Wounded Warrior Battalion West Detachment. Prior to this, Ms. Dean worked extensively in the field of mental illness and substance abuse as a clinical therapist, substance abuse counselor, crisis worker, and service coordinator. Ms. Dean also volunteers for community organizations such as the American Red Cross Disaster Mental Health Services on an on-call basis. Her membership on the Mental Health and Substance Abuse, Oahu Service Area Board also fulfills the requirement of community representation.

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, Wakai, Slom).

SCRep. 3518 Health on Gov. Msg. Nos. 553, 555, 556, and 594.

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON MENTAL HEALTH

- G.M. No. 553 SANDRA SIMMS, for a term to expire 6-30-2014;
 G.M. No. 555 CHAD KOYANAGI, for a term to expire 6-30-2016;
 G.M. No. 556 HAAHEO MANSFIELD, for a term to expire 6-30-2016; and
 G.M. No. 594 TYRA DU BOSE, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Sandra Simms, Chad Koyanagi, Haaheo Mansfield, and Tyra Du Bose to possess the requisite qualifications to be nominated to the State Council on Mental Health.

SANDRA SIMMS

Your Committee received testimony in support of the nomination of Sandra Simms from the Department of Health and two individuals.

Judge Simms served the District Court until she was appointed to the First Circuit Court in 1994, and worked there until her retirement in 2004. Through her career experiences, Judge Simms has garnered thorough knowledge of the challenges and issues that face individuals with a mental illness as well as the systems and resources that may assist these individuals. Judge Simms is currently the Vice President of the Board of Directors and Chair of Resource Development of Mental Health America of Hawai'i, which supports mental wellness and seeks to reduce the stigma of mental illness. She brings a wealth of knowledge and experience regarding mental health, substance abuse, and the proceedings of the legal system to the State Council on Mental Health.

CHAD KOYANAGI

Your Committee received testimony in support of the nomination of Chad Koyanagi from the Department of Health and Mental Health America of Hawai'i.

Dr. Koyanagi is an Assistant Professor at the Department of Psychiatry, John A. Burns School of Medicine; Medical Director of Kekela, the inpatient psychiatric unit of The Queen's Medical Center; Psychiatrist for the Pacific Survivor Center for victims of torture and human trafficking; and a Provider of Rural Mental Health Services for Molokai General Hospital and the Community Clinic of Maui, Inc. His work in rural and urban areas throughout the State as well as his experience in an academic and hospital setting have provided Dr. Koyanagi with an impressive breadth of experience. Furthermore, Dr. Koyanagi's work with the most acutely ill and disadvantaged of the mentally ill population make him a very valuable asset to the State Council on Mental Health.

HAAHEO MANSFIELD

Your Committee received testimony in support of the nomination of Haaheo Mansfield from the Department of Health and eight individuals.

Ms. Mansfield is the Vice President of Programs for Parents and Children Together (PACT) and has been working with this organization for over twenty-three years. She is very familiar with the provision of social services in the State, and she has provided critical information regarding the ways that budget cuts have diminished services for individuals with severe and persistent mental illnesses, resulting in these individuals resorting to adjunct services, such as domestic violence shelters and family strengthening programs, when help is sought. Ms. Mansfield will serve the State Council on Mental Health as a family member of an individual with a mental illness.

TYRA DU BOSE

Your Committee received testimony in support of the nomination of Tyra Du Bose from the Department of Health.

Ms. Du Bose works as a Lanai City Parent Partner for Hawaii Families as Allies to promote awareness of developmental disabilities within her community by providing workshops and support groups as well as making outreach efforts. Ms. Du Bose has become familiar with working with occupational, speech, physical, and behavioral therapists and teachers in providing care for her seven-year-old child, who is autistic. Consequently, Ms. Du Bose will serve the State Council on Mental Health in her capacity as a parent.

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, 6. Noes, none. Excused, 1 (Slom).

SCRep. 3519 Health on Gov. Msg. No. 554.

Recommending that the Senate advise and consent to the nomination of the following:

STATE COUNCIL ON MENTAL HEALTH

G.M. No. 554 SUSAN FOARD, for a term to expire 6-30-2015,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Susan Foard 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 Susan Foard from the Department of Health, Department of Human Services, and one individual.

Ms. Foard is a licensed mental health counselor and is currently the Assistant Administrator for the Department of Human Services, Vocational Rehabilitation and Services for the Blind Division, in which she has worked for over fourteen years. In her current position, she is responsible for the administration of the statewide programs for vocational rehabilitation, independent living, and services for the blind. Ms. Foard has, in total, thirty-two years of experience in the private and public sectors providing vocational rehabilitation services. Ms. Foard's skills and expertise regarding the services needed to prepare for, obtain, and maintain employment for individuals with disabilities will be of significant value to the State Council on Mental Health.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Wakai, Slom).

SCRep. 3520 Health on Gov. Msg. No. 595.

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, HAWAII SERVICE AREA BOARD

G.M. No. 595 LAWRENCE WALTER, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Lawrence Walter to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, Hawaii Service Area Board.

Your Committee received testimony in support of the nomination of Lawrence Walter from the Department of Health.

Mr. Walter is a minister at the First United Protestant Church of Hilo, Hawaii. Prior to moving to Hawaii in 2003, he worked at United Church of Christ churches for thirty years and served on the Corporate Board for Oroville Hospital. Mr. Walter holds Master's degrees in Counseling and Psychology as well as Divinity. He also has a great interest in working with youth problems, and has published numerous articles on addiction within the family setting, drug use, and teen pregnancy. Mr. Walter has also undergone Applied Suicide Intervention Skills Training and is a "safeTALK" trainer 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Wakai, Slom).

SCRep. 3521 Health on Gov. Msg. No. 672.

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII ADVISORY COMMISSION ON DRUG ABUSE AND CONTROLLED SUBSTANCES

G.M. No. 672 PAULA MORELLI, for a term to expire 6-30-2015,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Paula Morelli 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 Paula Morelli from the Department of Health and Olomana Gardens.

Dr. Morelli is an Associate Professor of Social Work at the University of Hawaii at Manoa. She has authored and co-authored numerous scholarly publications regarding trauma and healing, culturally based interventions for Asian and Pacific Islanders, multicultural education, and cross-cultural competency. Her areas of focus include social work practice in mental health, qualitative research methodologies, and theories of knowledge development. Dr. Morelli has served since 2007 on this Commission, and her reappointment will ensure that the academic sector is well represented during discussions.

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 (Baker, Wakai, Slom).

SCRep. 3522 Health on Gov. Msg. Nos. 693, 694, 695, 696, 697, and 698.

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, HAWAII COUNTY SUBAREA

G.M. No. 693 WAYNE HIGAKI, for a term to expire 6-30-2015;

G.M. No. 694 ALAN PARKER, for a term to expire 6-30-2015;

G.M. No. 695 CHRISTOPHER SCHLUETER, for a term to expire 6-30-2016;

G.M. No. 696 SHERI SHAW, for a term to expire 6-30-2015;

G.M. No. 697 SHEILA NICHOLAS-SMITH, for a term to expire 6-30-2015; and

G.M. No. 698 ANNE STURGIS, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Wayne Higaki, Alan Parker, Christopher Schlueter, Sheri Shaw, Sheila Nicholas-Smith, and Anne Sturgis to possess the requisite qualifications to be nominated to the Health Planning Council, Hawaii County Subarea.

WAYNE HIGAKI

Your Committee received testimony in support of the nomination of Wayne Higaki from the Department of Health and one individual.

Mr. Higaki is the Vice President of Public Affairs for North Hawaii Community Hospital, Inc., and has been in health care for twenty-eight years. Mr. Higaki has a demonstrated commitment to his community, as evidenced by his service as Chairman of the County of Hawaii Workforce Investment Board and his membership with the Rotary Club of North Hawaii. Mr. Higaki has previously served on the Statewide Health Coordinating Council and the Health Planning Council, Hawaii County Subarea, for eight years and his knowledge of the issues and concerns regarding health care services on the island of Hawaii and across the State have been valuable to both councils.

ALAN PARKER

Your Committee received testimony in support of the nomination of Alan Parker from the Department of Health, Executive Office on Aging, and the Policy Advisory Board for Elder Affairs.

Mr. Parker is the County Executive on Aging in the Hawaii County Office of Aging. Mr. Parker has previously served as the Director of the Retired and Senior Volunteer Program, Planner with the Hawaii County Office of Aging, and Deputy Director of the Hawaii County Department of Parks and Recreation. Mr. Parker's knowledge of and commitment to Hawaii's older adults and family caregivers in all settings, including hospitals and home and community-based care, brings a valuable perspective to the Health Planning Council, Hawaii County Subarea, of which he is currently the Vice Chair.

CHRISTOPHER SCHLUETER

Your Committee received testimony in support of the nomination of Christopher Schlueter from the Department of Health.

Mr. Schlueter is an attorney with an interest in business, real estate, land use, and immigration law. He has a Bachelor's degree in marketing with a minor in information technology as well as a Juris Doctor degree from Gonzaga University School of Law. Mr. Schlueter is currently the Chair of the Health Planning Council and has been a valuable member of the Council during his first term.

SHERI SHAW

Your Committee received testimony in support of the nomination of Sheri Shaw from the Department of Health.

Ms. Shaw is a Nurse Manager at Hilo Medical Center and is responsible for a long-term care unit and the supervision, scheduling, and education of eighty full-time employees. She has twenty-three years of experience as a registered nurse and has had positions in numerous facilities and capacities, including a Mental Health Nurse, Surgery Nurse, and Psychiatric Nurse Manager. Ms. Shaw has been a very productive member of the Health Planning Council.

SHEILA NICHOLAS-SMITH

Your Committee received testimony in support of the nomination of Sheila Nicholas-Smith from the Department of Health and ten individuals.

Ms. Nicholas-Smith is the Director of Operations and the Director of Home Programs for Liberty Dialysis-North Hawaii LLC and works throughout the State to promote, encourage, and support individuals in performing dialysis at home. Prior to her current position, Ms. Nicholas-Smith worked for many years at facilities that provided dialysis services and as a Staff Nurse working frequently in critical care units. Within her community, she diligently promotes good health and disease prevention. Ms. Nicholas-Smith's passion for and experience in tending to the health care needs of various communities will enable her to serve effectively on the Health Planning Council.

ANNE STURGIS

Your Committee received testimony in support of the nomination of Anne Sturgis from the Department of Health and one individual.

Ms. Sturgis is a Clinical Social Worker at Bay Clinic, Inc. Previously, she worked as the Service Area Administrator for the Adult Mental Health Division and the Assistant Clinical Director of the HOOKUPOONO program. Ms. Sturgis has been tasked in the past with developing services based on stakeholder input and available data, and her experiences have provided her with a broad perspective of the community's needs and challenges in obtaining health care. Ms. Sturgis' focus on inclusive diplomacy and cultural sensitivity as well as her professional background will allow her to make many significant contributions to the Health Planning Council.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Wakai, Slom).

SCRep. 3523 Health on Gov. Msg. No. 701.

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, HONOLULU SUBAREA

G.M. No. 701 KEITH LEE, for a term to expire 6-30-2015,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Keith Lee to possess the requisite qualifications to be nominated to the Health Planning Council, Honolulu Subarea.

Your Committee received testimony in support of the nomination of Keith Lee from the Department of Health and eleven individuals.

Mr. Lee is the Principal of Lee Law Office, a Limited Liability Law Company that specializes in the issues and concerns that surround the provision of health care services. He has also served as Legal Counsel to HMSA BSH, Inc., and Kaiser Foundation Health Plan, Inc., and has over twenty-five years of experience in working with the law. Mr. Lee has been an active, conscientious, and valuable member of the Statewide Health Coordinating Council and the Health Planning Council, Honolulu Subarea, for the past four years, and his continued service will be a great asset to the deliberations of this Council.

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 (Shimabukuro, Wakai, Slom).

SCRep. 3524 Education on Gov. Msg. Nos. 740 and 741.

Recommending that the Senate advise and consent to the nominations of the following:

CENTER FOR NURSING ADVISORY BOARD

G.M. No. 740 BETH HOBAN, for a term to expire 6-30-2014; and

G.M. No. 741 LORI KANESHIGE, for a term to expire 6-30-2014,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Beth Hoban and Lori Kaneshige to possess the requisite qualifications to be nominated to the Center for Nursing Advisory Board.

BETH HOBAN

Your Committee received testimony in support of the nomination of Beth Hoban from the Hawaii State Center for Nursing, Hawaii Healthcare Association of Hawaii, and three individuals.

Your Committee finds that Beth Hoban is a Registered Nurse and is the Founder, President, and Chief Executive Officer of Prime Care Services Hawaii, Incorporated, a licensed Medicare-certified home healthcare agency. She previously served as a Staff Nurse, Nurse Educator, Clinical Nurse, and Nurse Manager at The Queen's Medical Center.

Ms. Hoban is active in the community and volunteers her time as board member of Pali Momi Medical Center and the Healthcare Association of Hawaii. She is also a Co-Founder of the Friends of the University of Hawaii Manoa School of Nursing, helping to raise funds and support the nursing program. In addition, she serves on the University of Hawaii at Manoa Nursing Advisory Council.

Ms. Hoban testified that during her term of service on the Center for Nursing Advisory Board, she hopes to be able to collaborate with her nursing colleagues to find ways to support the nursing workforce. She stressed that with the increased importance of community-based healthcare, there will be a need for nurses who have experience working in the community. Ms. Hoban hopes to bring her knowledge in care coordination and rehabilitation to assist the Center for Nursing Advisory Board in addressing these issues.

Ms. Hoban's long career in the healthcare field, her continued support of nursing in Hawaii, and her entrepreneurial experience will make her an excellent addition to the Center for Nursing Advisory Board.

LORI KANESHIGE

Your Committee received testimony in support of the nomination of Lori Kaneshige from the Hawaii State Center for Nursing and fourteen individuals.

Your Committee finds that Lori Kaneshige received an Associate's degree, Bachelor's degree, and Master's degree in Nursing from the University of Hawaii at Manoa.

Ms. Kaneshige currently serves as the Director of Clinical Services at the Blood Bank of Hawaii. Prior to this, Ms. Kaneshige served as an Education Services Manager and Clinical Nurse Specialist with Kuakini Health Systems. Ms. Kaneshige also has experience as a Medical-Surgical Nurse, as well as a Registered Nurse, providing care as a Medicare-certified home health nurse and case manager.

Ms. Kaneshige is actively involved in the community, volunteering her time with the Girl Scouts of Hawaii, Susan G. Komen Foundation, Oncology Nursing Society, and American Nurses' Association.

As a passionate advocate for the nursing field and a highly knowledgeable nurse, nurse educator, and manager, Ms. Kaneshige will be a valuable member of the Center for Nursing Advisory Board.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, 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 (Kidani).

SCRep. 3525 Education on Gov. Msg. Nos. 817 and 819.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF EDUCATION

G.M. No. 817 KEITH AMEMIYA, for a term to expire 6-30-2015; and

G.M. No. 819 CHERYL LUPENUI, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Keith Amemiya and Cheryl Lupenui to possess the requisite qualifications to be nominated to the Board of Education.

KEITH AMEMIYA

Your Committee received testimony in support of the nomination of Keith Amemiya from the Governor, Board of Education, Office of Hawaiian Affairs, Hui for Excellence in Education, and two individuals.

Your Committee finds that Keith Amemiya received his Bachelor's degree in Business Administration 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.

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.

As a current Board of Education member, Mr. Amemiya has actively contributed to fostering stakeholder engagement. For example, Mr. Amemiya testified that in creating stronger high school diploma standards, the Board of Education worked with various interest groups to come up with standards to help ensure Hawaii's students are ready for a post-secondary education and successful career.

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. The Board of Education will continue to benefit from Mr. Amemiya's service as a board member.

CHERYL LUPENUI

Your Committee received testimony in support of the nomination of Cheryl Lupenui from the Governor, Board of Education, Office of Hawaiian Affairs, Read Aloud America, Hui for Excellence in Education, and fourteen individuals.

Your Committee finds that Cheryl Lupenui received a Bachelor's degree in Business Administration from the University of Hawaii at Manoa. She earned a Master of Business Administration degree from Tulane University.

Ms. Lupenui has an extensive background in business administration. She is the Founder and Principal of The Leadership Project, which provides shared leadership for social change initiatives. Prior to founding The Leadership Project, she served for ten years as 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. 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.

Ms. Lupenui strongly believes in community involvement and participation. As a member of the Board of Education, she took the lead in organizing and developing the first community meeting in Windward Oahu. She has worked to ensure that the Board of Education, Department of Education, and key stakeholders work collaboratively to further the State's educational goals.

Ms. Lupenui is a current member of the Board of Education. As the Chair of the Board's Student Achievement Committee, Ms. Lupenui has set the tone for how the Board of Education works with the Department of Education on critical education reforms. Ms. Lupenui was integral in the adoption of stronger high school diploma standards to ensure that Hawaii's graduates will meet the Common Core State Standards. She is also currently involved in developing the educational strategic plan for the State that will set the priorities for the Department of Education.

Ms. Lupenui's business acumen and passion for community service continue to make her a great 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, 6. Noes, none. Excused, none.

SCRep. 3526 Education on Gov. Msg. No. 818.

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EDUCATION

G.M. No. 818 NANCY BUDD, for a term to expire 6-30-2015,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Nancy Budd to possess the requisite qualifications to be nominated to the Board of Education.

Your Committee received testimony in support of the nomination of Nancy Budd from the Governor, Board of Education, Hui for Excellence in Education, and eighteen individuals.

Your Committee finds that 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.

As a current member of the Board of Education, Ms. Budd initiated an audit of all of the Board of Education's existing policies to ensure that these policies align with the Board's strategic objectives.

Ms. Budd testified that the Board of Education continues to reach out to stakeholders and the community by conducting community Board of Education meetings not only on Oahu but on the neighbor islands as well. For example, the Board of Education held three community meetings on Kauai, one in each complex area. Ms. Budd testified that she hopes that these community meetings will become a regular opportunity to meet with parents, teachers, and other education stakeholders.

Ms. Budd has devoted many years to the support and improvement of the State's educational system. Her dedication and commitment to education continue to 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 nominee, has found the nominee to be qualified for the position 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 (Kidani).

SCRep. 3527 Education on Gov. Msg. Nos. 838 and 839.

Recommending that the Senate advise and consent to the nominations of the following:

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION

G.M. No. 838 FRANCISCO HERNANDEZ, for a term to expire 6-30-2013; and

G.M. No. 839 CAROL MON LEE, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Francisco Hernandez and Carol Mon Lee to possess the requisite qualifications to be nominated to the Western Interstate Commission for Higher Education.

FRANCISCO HERNANDEZ

Your Committee received testimony in support of the nomination of Francisco Hernandez from the Office of the Governor, University of Hawai'i Foundation, and twenty-eight individuals.

Your Committee finds that Francisco Hernandez received a Bachelor's degree in American History from the University of California at Berkeley. He went on to receive a Master's degree and a Doctor of Philosophy degree from the School of Education at Stanford University.

Mr. Hernandez is currently the Vice Chancellor for Students at the University of Hawaii at Manoa. Since 2006, Mr. Hernandez has also been developing and overseeing a project to provide online academic support services to high school students. The project currently provides free online math tutoring for high school students using University of Hawaii at Manoa students as tutors.

Mr. Hernandez has also served as a member of the Charter School Review Panel, Board of Directors of the YMCA Atherton Branch, and Board of Directors of the Hawaii Youth Opera Chorus. He has also served in several capacities to study and promote the use of technology in education.

Mr. Hernandez's educational and professional experiences make him an asset to the Western Interstate Commission for Higher Education.

CAROL MON LEE

Your Committee received testimony in support of the nomination of Carol Mon Lee from the Office of the Governor and seven individuals.

Your Committee finds that Carol Mon Lee received a Bachelor's degree in Art History from Barnard College. She received a Master's degree in Fine Arts and Fine Arts Education from Columbia University. Ms. Lee went on to receive a Juris Doctorate degree from the University of California Hastings College of Law.

Ms. Lee is a retired Associate Dean of the University of Hawaii William S. Richardson School of Law. After her retirement, Ms. Lee served as an elected member of the Board of Education, where she chaired the Legislation, Public Charter Schools and Public Library Committee, and chaired the Superintendent Search and Selection Committee. She continues to volunteer her time as a member of the Hawaii State Bar Association and Peace Through Commerce in Austin, Texas.

Ms. Lee testified that she is interested in bringing her experience as a member of the Board of Education to her work with the Western Interstate Commission for Higher Education. During her term of service, Ms. Lee would like to maximize Hawaii's higher education goals by improving the alignment between K-12 education and higher education and by helping students prepare for college.

Your Committee finds that Ms. Lee's experience and interest in education, law, business, and public service make her an exceptional candidate to serve on the Western Interstate Commission for Higher 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 (Kidani).

SCRep. 3528 Tourism on Gov. Msg. Nos. 911, 912, 913, 914, 915, 916, and 917.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII TOURISM AUTHORITY

- G.M. No. 911 JACK CORTEWAY, for a term to expire 6-30-2016;
- G.M. No. 912 VICTOR KIMURA, for a term to expire 6-30-2014;
- G.M. No. 913 MICHAEL KOBAYASHI, for a term to expire 6-30-2014;
- G.M. No. 914 AARON SALA, for a term to expire 6-30-2016;
- G.M. No. 915 LORRIE STONE, for a term to expire 6-30-2016;
- G.M. No. 916 RONALD WILLIAMS, for a term to expire 6-30-2014; and
- G.M. No. 917 DAVID RAE, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Jack Corteway, Victor Kimura, Michael Kobayashi, Aaron Sala, Lorrie Stone, Ronald Williams, and David Rae to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Tourism Authority.

JACK CORTEWAY

Your Committee received testimony in support of the nomination of Jack Corteway from the American Resort Development Association; G.A. Morris, Inc.; Hilton Grand Vacations; and two individuals.

Jack Corteway is the President and Chief Executive Officer of Royal Aloha Vacation Club, a timeshare club formed in 1977 with over 8,700 members and eight resorts in Hawaii, Nevada, Arizona, Missouri, Mexico, and Spain. Mr. Corteway is a graduate of the University of Southern California School of Business, with a Bachelor of Science, and is a Registered Resort Professional, American Resort Development Association. He is a licensed real estate broker and timeshare sales agent, and is active in numerous professional and civic organizations. Mr. Corteway is a new appointment to the Board of Directors of the Hawaii Tourism Authority, serving as an at-large member.

VICTOR KIMURA

Your Committee received testimony in support of the nomination of Victor Kimura from the Honolulu Fire Department, City and County of Honolulu; Goodwill Industries of Hawaii, Inc.; The Pacific Resources Partnership; YMCA of Honolulu; Starwood Hotels and Resorts; Chinatown Business & Community Association; JDRF Hawaii Chapter; Ralph W. Inouye Co. Ltd.; The Mark A. Robinson Trusts; Ironworkers Stabilization Fund; International Brotherhood of Electrical Workers Local Union No. 1186; Hawaii Fire Fighters Association; Armstrong Produce; Enterprise Honolulu; Helps LLC; Land Use Research Foundation of Hawaii; Hawaii Laborers-Employees Cooperation and Education Trust; The Maritime Group; Aukahi; and seven individuals.

Victor Kimura is the Vice President, Director of Operations Support for Kyoya Management Co. Ltd., where he is responsible for the review of the performance of the group's assets, including the Sheraton Waikiki, Royal Hawaiian Hotel, Moana Surfrider Hotel, Sheraton Princess Kaiulani Hotel, Sheraton Maui Hotel, Palace Hotel in San Francisco, and Grand Cypress Resort and Golf Course in Florida. He is a graduate of the University of Hawaii, with a Bachelor of Arts in Economics and the ITT Executive Management Program, Duke University. He is a new appointment to the Board of Directors of the Hawaii Tourism Authority, serving as an at-large member.

MICHAEL KOBAYASHI

Your Committee received testimony in support of the nomination of Michael Kobayashi from Germaine's Luau, Hawaii, and Aloha V.I.P. Tours, Inc.

Michael Kobayashi is the Vice President of Tropical Island Creations, Inc.; the President of Kobayashi Travel Service, Ltd.; and the President of Polynesian Hospitality. His companies specialize in tours to Asia and the United States mainland and he has over forty years of experience in the visitor industry in Hawaii. Mr. Kobayashi is a graduate of the University of Hawaii, with a Bachelor's degree in Business Administration from the School of Travel Industry Management. He is active in professional and community organizations, and is a reappointment to the Board of Directors of the Hawaii Tourism Authority, serving as an at-large member.

AARON SALA

Your Committee received testimony in support of the nomination of Aaron Sala from Sawayaka Hawaii, Inc.; The Hawai'i Academy of Recording Artists; and eight individuals.

Aaron Sala is an Instructor of Music and Hawaiian Studies at Windward Community College, the Music Director at Disney's 'Aulani Resort, and the Owner and Chief Executive Officer of AJS Productions, LLC. He also serves as the Assistant Director of the Cantilena Ensemble of the Hawaii Youth Opera Chorus. Mr. Sala holds undergraduate and master's degrees from the University of Hawaii and is currently a Doctorate of Philosophy candidate in Music and Ethnomusicology, and has performed as a featured vocalist in Hawaii and Europe. Mr. Sala is a reappointment to the Board of Directors of the Hawaii Tourism Authority, serving as an at-large member with expertise in Hawaiian cultural practices.

LORRIE STONE

Your Committee received testimony in support of the nomination of Lorrie Stone from the Department of Business, Economic Development, and Tourism and one individual.

Lorrie Stone is an attorney in private practice at Lorrie Lee Stone, Attorney at Law, LLLC, a firm she founded in 2001, with an emphasis on land use and development, and has over twenty-five years of legal experience in Hawaii. She attended Sophia University, Tokyo, Japan, holds a Juris Doctor from the University of Hawaii, William S. Richardson School of Law, and has studied at Oxford University, England. Ms. Stone is active in a wide range of professional and community organizations. She is a new appointment to the Board of Directors of the Hawaii Tourism Authority, serving as an at-large member.

RONALD WILLIAMS

Your Committee received testimony in support of the nomination of Ronald Williams from the Department of Business, Economic Development, and Tourism; Hilton Worldwide; Ocean Tourism Coalition; Activities & Attractions Association of Hawaii; Aloha V.I.P. Tours, Inc.; and the Polynesian Cultural Center.

Ronald Williams is the President and Chief Executive Officer of Atlantis Adventures, LLC, a company he joined in 1995, where he is responsible for all Hawaii locations, including Atlantis Cruises, Sea Life Park Hawaii, and Waimea Falls Park. In addition, he has over fifteen years of senior management experience in the vehicle rental industry with hospitality operations on the islands of Oahu and Maui. Mr. Williams attended the University of Hawaii and is active in professional development activities and community organizations. He is a reappointment to the Board of Directors of the Hawaii Tourism Authority, and currently serves as its Chairperson.

DAVID RAE

Your Committee received testimony in support of the nomination of David Rae from Starwood Hotels and Resorts; Radcliffe & Associates, LLC; Alexander & Baldwin, Inc.; Castle & Cooke, Hawaii; Ironworkers Stabilization Fund; and International Union of Painters and Allied Trades District Council 50.

David Rae is the Senior Vice President of Development of 'Aina Nui Corporation and Kapolei Property Development, with twenty years in senior management positions at The Estate of James Campbell, the predecessor organization of his company. His career in land use planning and development includes public and private sector work. Mr. Rae is a graduate of Union College, Schenectady, New York, with a Master of Science from the College of Saint Rose, Albany, New York, and holds two master's degrees from the University of Hawaii. He is a new appointment to the Board of Directors of the Hawaii Tourism Authority, serving as an at-large member.

As affirmed by the records of votes of the members of your Committee on Tourism that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3529 Judiciary and Labor on Gov. Msg. No. 557.

Recommending that the Senate advise and consent to the nominations of the following:

COMPACT ADMINISTRATOR FOR THE INTERSTATE COMMISSION FOR ADULT OFFENDER SUPERVISION

G.M. No. 557 CHERYL MARLOW, for a term to expire 6-30-2015,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Cheryl Marlow to possess the requisite qualifications to be nominated as the Compact Administrator for the Interstate Commission for Adult Offender Supervision.

Testimony in support of the nomination of Cheryl Marlow was submitted by the Judiciary and the Hawaii Paroling Authority.

Ms. Marlow earned her Bachelor of Arts degree in Social Work from Bowling Green State University. She previously served as a Senior Probation Officer, Intake/Investigation Supervisor, and Adult Probation Administrator for the Judiciary in the Second Circuit before serving as the Interagency Council on Intermediate Sanctions Coordinator for the Judiciary in the First Circuit.

Ms. Marlow currently serves as a Social Services Manager for the Judiciary and is responsible for the Adult Client Services Branch of the First Circuit. The Branch provides probation and probation-related services for the District, Family, and Circuit Courts. Her organizational oversight responsibilities include criminal investigations, offender supervision, driver education, community service placement, and temporary restraining order preparation for domestic violence cases. Furthermore, Ms. Marlow currently serves as the Interim Compact Administrator for the Interstate Commission for Adult Offender Supervision.

Testimony in support of the nominee indicates that as the Interim Compact Administrator, Ms. Marlow has consistently displayed integrity and diligence on all matters related to Interstate Compact issues. In her written statement to your Committee, she indicated that serving as the Interim Compact Administrator has provided her extensive training on the responsibilities of the Compact Administrator, knowledge about the rules, and opportunities to network with other Compact Administrators and staff across the nation. She also expressed her desire to continue her work in overseeing the movement of offenders between states to ensure that transfers occur without unnecessary risk and delay to offenders while protecting victim rights.

Given Ms. Marlow's background, skills, and experience thus far as the Interim Compact Administrator, your Committee finds that the State will continue to benefit from Ms. Marlow's service as the Compact Administrator for the Interstate Commission for Adult Offender Supervision. Your Committee further finds that Ms. Marlow is eminently qualified, and her experience, knowledge, and skills will be invaluable to the Interstate Commission for Adult Offender Supervision.

As 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. 3530 Judiciary and Labor on Gov. Msg. Nos. 558 and 559.

Recommending that the Senate advise and consent to the nominations of the following:

DEFENDER COUNCIL

G.M. No. 558 DAVID KUWAHARA, for a term to expire 6-30-2015; and

G.M. No. 559 PHILIP LOWENTHAL, for a term to expire 6-30-2015,

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees and finds David Kuwahara and Philip Lowenthal to have the necessary qualifications to be appointed to the Defender Council.

DAVID KUWAHARA

Your Committee received testimony in support of the nomination of David Kuwahara from the Office of the Public Defender and one private individual.

Mr. Kuwahara earned his Bachelor of Arts degree from the University of California, Berkeley and his Doctorate of Jurisprudence from the University of the Pacific, McGeorge School of Law. He previously served as a Deputy Public Defender for the Office of the Public Defender in Hilo and Honolulu where he gained experience in all stages of felony and misdemeanor criminal cases. He is currently in private practice in Hilo and serves as a Per Diem Judge for Family and District Court of the Third Circuit.

Mr. Kuwahara was admitted to the California State Bar and is licensed to practice law in Hawaii. He previously served as an arbitrator on the Court-Annexed Arbitration Program in the Third and First Circuit Courts. He also served as a consulting staff attorney on a contract basis for Hawaii Lawyers Care to provide legal assistance to the indigent community, offer legal advice and opinions to the Executive Director, supervise paralegals, and conduct clinics.

According to testimony submitted in support of Mr. Kuwahara's nomination, his service with the Office of the Public Defender on the Big Island and Oahu has allowed him to gain a wealth of legal knowledge and experience in various types of cases in the Big Island and Oahu courts. His background in the criminal justice system, particularly in the Big Island court system, will be an invaluable asset in representing the island of Hawaii on the Defender Council.

PHILIP LOWENTHAL

Your Committee received testimony in support of the nomination of Philip Lowenthal from the Office of the Public Defender and one private individual.

Mr. Lowenthal earned his Bachelor of Arts degree and Doctorate of Jurisprudence from the University of California, Berkeley. He previously served as a Deputy Public Defender for the Office of the Public Defender in Maui County before going into private practice. His practice of law focuses on federal and state trials, civil and criminal cases, and complex litigation.

Mr. Lowenthal is licensed to practice law in California and Hawaii, and appear before the United States Tax Court, United States Court of Appeals in the Ninth Circuit, and United States Supreme Court. His professional activities include previously serving on the Hawaii State Supreme Court Permanent Committee on Rules of Penal Procedure and Permanent Committee on Standard Criminal Jury Instructions. He currently serves on the Hawaii State Supreme Court Permanent Committee on Rules of Evidence, the National Association of Criminal Defense Lawyers, and the Hawaii State Supreme Court Disciplinary Board. Furthermore, he currently serves as Director of the Maui Hui Malama Learning Center, Director and Vice President of the Maui Economic Concerns of the Community, and Board member of the Papa Ola Lokahi Institutional Review Board.

According to testimony submitted in support of Mr. Lowenthal's nomination, Mr. Lowenthal is a well-respected Hawaii trial attorney who specializes in criminal defense with vast knowledge and experience in defending serious and complex cases in federal and state courts. He has also taught evidence at the Maui Community College for many years, served as an instructor at the Hawaii

Public Defender seminar, and served on numerous committees and task forces dealing with Hawaii court rules and the justice system. His background in the criminal justice system, particularly in the Maui court system, will be an invaluable asset in representing Maui on the Defender Council.

Your Committee finds that due to the nominees' previous experience in the criminal justice system, the State will benefit from Mr. Kuwahara and Mr. Lowenthal serving on the Defender Council. Your Committee further finds that Mr. Kuwahara and Mr. Lowenthal are eminently qualified, and their experience, knowledge, and skills will be invaluable to the Defender Council.

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. 3531 Judiciary and Labor on Gov. Msg. Nos. 562, 563, 564, 565, and 566.

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII WORKFORCE DEVELOPMENT COUNCIL

- G.M. No. 562 ARUN SAVARA, for a term to expire 6-30-2015;
- G.M. No. 563 JEFF THOMPSON, for a term to expire 6-30-2015;
- G.M. No. 564 VICKI GAYNOR, for a term to expire 6-30-2015;
- G.M. No. 565 ROBERT MARTIN, JR., for a term to expire 6-30-2015; and
- G.M. No. 566 PAUL RICHARDS, for a term to expire 6-30-2014,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Arun Savara, Jeff Thompson, Vicki Gaynor, Robert Martin, Jr., and Paul Richards to possess the requisite qualifications to be nominated to serve on the Hawaii Workforce Development Council.

ARUN SAVARA

Your Committee received testimony in support of the nomination of Arun Savara from the Hawaii Workforce Development Council, Castle Resorts & Hotels, and three individuals.

Mr. Savara earned his Bachelor of Technology degree in Mechanical Engineering from the Indian Institute of Technology in Bombay, India, Master of Science degree in Operations Research from Cornell University, and Doctorate degree in Strategic Management from Purdue University. Mr. Savara is currently self-employed and performs consulting services to a few companies to develop strategic information systems plans, design networks, and perform onsite and offshore software development. He also owns and manages The Maids, a housekeeping company, which he successfully converted into a profitable company. From 1988 to 1994, he served in various senior management positions at VeriFone Inc.

The Workforce Development Council indicated to your Committee that Mr. Savara will bring to the Council extensive experience from his time spent as an executive in medium to large corporate settings as well as a small business owner. While serving as an interim appointee on the Council, he was active in overseeing the State's annual performance report to the federal government and proactive in gaining a better understanding of the myriad federal requirements.

JEFF THOMPSON

Your Committee received testimony in support of the nomination of Jeff Thompson from the Hawaii Workforce Development Council and one individual.

The Workforce Development Council indicated to your Committee that Mr. Thompson will bring to the Council his vast experience in the construction industry. Accordingly, his membership will benefit the Council in its attempts to resolve long-term workforce issues relating to one of Hawaii's largest employment bases and economic drivers. His assistance is needed by the Council to identify the barriers associated with better preparing and positioning of local labor to fill positions, such as project manager positions that are traditionally filled by imported labor from the mainland.

VICKI GAYNOR

Your Committee received testimony in support of the nomination of Vicki Gaynor from two individuals.

Ms. Gaynor earned her Bachelor in Education and Master in Education degrees from the University of Hawaii at Manoa. Ms. Gaynor currently serves as Vice President of Environet, Inc., where she provides business operations oversight for a mid-sized engineering firm specializing in civil and environmental engineering. She is directly responsible for all administrative functions, including human resources, contracts management, information technology, and facilities, and serves as a member of Environet's management team that is responsible for developing operating budgets and executing strategic plans. She previously served as a Vice President for Haseko (Hawaii), Inc., the Director of Development at Maryknoll Schools, a Program Manager for the Research Corporation of the University of Hawaii, and a teacher for the Department of Education. She also has substantial experience serving on several governmental commissions as a community volunteer.

Testifiers in support of Ms. Gaynor's nomination indicated to your Committee that Ms. Gaynor serves as an interim appointee on the Workforce Development Council. Her prior work in public and private education, coupled with her executive-level private sector experience, makes her a valuable asset to the Council.

ROBERT MARTIN, JR.

Your Committee received testimony in support of the nomination of Robert Martin, Jr., from one individual.

Mr. Martin earned his Bachelor of Arts degree in Advertising from Southern Methodist University and Doctorate of Jurisprudence from the Chicago-Kent College of Law at the Illinois Institute of Technology. Mr. Martin is currently an Associate Attorney with Alston Hunt Floyd & Ing where he focuses his practice on intellectual property, litigation, commercial transactions, health care, and real estate. He is a former member of the Waikiki Neighborhood Board, District 9.

Testimony in support of Mr. Martin's nomination indicates that his experience in the legal and real estate professions will benefit the Workforce Development Council in identifying barriers associated with those high-skilled and -wage career paths. Additionally, as a member of one of Hawaii's largest law firms employing a variety of skilled occupations, he will be able to assist the Council in identifying any current employment trends in Hawaii's legal field. Mr. Martin's myriad of experience makes him a vital asset to the Council.

PAUL RICHARDS

Your Committee received testimony in support of the nomination of Paul Richards from the Hawai'i Workforce Development Council and one individual.

Mr. Richards earned a Bachelor of Science degree in Business Management from the University of Phoenix and a Master of Business Administration from Hawaii Pacific University. Mr. Richards currently serves as the Executive Director for the Native Hawaiian Education Council. As Executive Director, he administers all policies and functions consistent with the Native Hawaiian Education Act and the Native Hawaiian Education Council (NHEC), its Executive Committees, and the NHEC Island Councils. He also serves as President of the Waimanalo Hawaiian Homes Association and the Chairperson of Ke Ola Mamo.

The Workforce Development Council indicated to your Committee that Mr. Richards will be an invaluable asset for the Council in ensuring that the existing state workforce development infrastructure provides meaningful access and services to the Native Hawaiian population.

This year, the Workforce Development Council plans to prepare a five-year state plan on its use of federal Workforce Investment Activities monies as required by the federal government in order for Hawaii to receive the bulk of federal funding for the State's primary job training and placement activities. Your Committee finds that all of the nominees will be vital to these efforts.

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. 3532 Judiciary and Labor on Gov. Msg. No. 598.

Recommending that the Senate advise and consent to the nominations of the following:

DEFENDER COUNCIL

G.M. No. 598 MICHAEL SOONG, for a term to expire 6-30-2015,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Michael Soong to possess the requisite qualifications to be nominated to serve on the Defender Council.

Your Committee received testimony in support of the nomination of Michael Soong from one individual.

Mr. Soong earned his Doctorate of Jurisprudence from Southwestern School of Law in Los Angeles, California. He has nearly twenty-five years of experience in criminal law as a defense attorney and a criminal prosecutor. He currently is a private criminal defense attorney in Lihue and previously served eight years as the elected County Prosecutor for the County of Kauai as well as a Deputy Public Defender.

Given his criminal law experience and skills, your Committee finds that Mr. Soong possesses the integrity, professionalism, and strong work ethic to be an effective member of the Defender Council. His service will assist the Office of the Public Defender in achieving its mission of providing zealous and effective representation of indigent persons charged with criminal offenses.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3533 Judiciary and Labor on Gov. Msg. No. 560.

Recommending that the Senate advise and consent to the nominations of the following:

DIRECTOR OF THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

G.M. No. 560 BARBARA A. KRIEG, for a term to expire 12-1-2014,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Barbara A. Krieg 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 Ms. Krieg from the Governor; Department of the Attorney General; Department of Labor and Industrial Relations; Department of Business, Economic Development, and Tourism; Department of Budget and Finance; Department of Health; Department of Defense; Department of Transportation; Department of Public Safety; Department of Hawaiian Home Lands; Department of Taxation; Department of Accounting and General Services; State of Hawaii Organization of Police Officers; Society for Human Resource Management Hawaii; Olelo Community Development; United Public Workers, AFSCME Local 646, AFL-CIO; Ho'ola Lahui Hawai'i; twenty-eight individuals from the Employee Staffing and Classification and Compensation Divisions of the Department of Human Resources Development; twelve individuals of the Department of Human Resources senior management team; and twenty individuals.

Ms. Krieg graduated cum laude from the University of Notre Dame where she obtained her Bachelor of Arts degree in Modern Languages. After college, she worked for thirteen years in the international trade show industry. In her first place of employment, she started in an entry-level customer service position and eventually worked her way up to serve as a department manager. Subsequently, she served as a General Manager and Vice President with smaller companies where she was responsible for general management, staff recruitment, training, mentoring, and employee benefits.

Ms. Krieg earned her Doctorate of Jurisprudence from the University of California, Los Angeles School of Law and has fifteen years of experience as a labor and employment attorney with private law firms in California and Hawaii. She served as Counsel Attorney in the Labor and Employment Department of Bryan Cave, LLP in Santa Monica, California, and later as an Of Counsel Attorney and Director and Shareholder at Alston Hunt Floyd & Ing in Honolulu. A significant part of her law practice focused on counseling employers in union and non-union sectors on human resources matters as well as being responsible for attorney recruitment, including managing her law firm's summer associate training program.

Ms. Krieg transitioned from the private to public sector when she served as the Deputy Director of the Department of Human Resources Development in March 2011, and was later named Interim Director of the Department in September 2011. As Interim Director, she is responsible for administering the personnel system for the executive branch workforce, including employee relations, classification and compensation system, staffing, and workers' compensation.

Ms. Krieg has also been involved in the community as a Director for the Tau Dance Theater and a former Director for the Disabilities Rights Legal Center. She currently serves on the Deferred Compensation Plan as an ex officio member and the Hawaii Employer-Union Health Benefits Trust Fund as the employer representative. She also serves as a member of the Society for Human Resource Management – Hawaii Chapter, the International Public Management Association for Human Resources, and the National Association of State Personnel Executives.

Testifiers in support of the nominee indicate that Ms. Krieg demonstrates a sophisticated knowledge of the role the Department of Human Resources Development performs within the State, and more importantly, that she understands the strategic vision that the Department can achieve in improving the State's operations. She supports and encourages an open dialogue with all executive branch departments in their efforts to address complex and long standing personnel practices that contribute to delays in classifying, recruiting, and hiring a diverse workforce. She has also made herself available to discuss issues relating to collective bargaining with the various public sector employee unions. She has a solid understanding of the collective bargaining process and is committed to the principles of good faith bargaining.

Your Committee notes the testimony submitted in support from a number of employees of the Department of Human Resources Development. These employees testified that as Deputy Director and Interim Director, Ms. Krieg has shown an open and responsive management style that resulted in positive change among the staff. Her background in employment and labor law enables her to quickly grasp personnel issues and the complexities of public employment, make thoughtful and sound decisions, and effectively articulate her analyses. With her broad experience in resolving private sector employment issues, she brings a fresh and valuable perspective to the Department in administering the state employee workforce. She has demonstrated a genuine desire to work with the Department, expressed her support and appreciation of the Department's efforts in providing quality customer service, and exhibited integrity as she helps to guide and inspire the Department to work as a team to meet Department goals.

Your Committee finds that Ms. Krieg is exceptionally qualified to serve as the Director of Human Resources Development. She possesses the intelligence, knowledge, experience, and personality to be an outstanding Director.

As 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 (Ihara).

SCRep. 3534 Human Services on S.R. No. 38

The purpose and intent of this measure is to urge the Hawaii Public Housing Authority to apply for a United States Department of Housing and Urban Development Choice Neighborhoods Grant.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority.

Your Committee finds that the Hawaii Public Housing Authority is currently in the process of applying for a Choice Neighborhoods Planning Grant. In 2011, the Authority was among seventy-one applicants that met the threshold criteria for a Choice Neighborhoods Planning Grant. Unfortunately, due to federal fiscal constraints, the Authority was not among the thirteen planning grants awarded and therefore did not have the funding to undertake the necessary steps to develop the required transformation plan that supports the application for an implementation grant.

Your Committee further finds that the United States Department of Housing and Urban Development anticipates awarding as many as twenty planning grants under the fiscal year 2012 Notice of Funds Availability. Therefore, the Authority is focusing its efforts on obtaining a planning grant to develop a transformation plan that will be submitted for a full implementation grant.

Accordingly, your Committee has amended this measure by:

- (1) Amending the BE IT RESOLVED language to express support by the Legislature of the Hawaii Public Housing Authority's application for a Choice Neighborhoods Grant and to urge the United States Department of Housing and Urban Development to select the Authority as a Choice Neighborhoods Grant recipient;
- (2) Amending the 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 38, 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. 38, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 3535 (Majority) Judiciary and Labor on Gov. Msg. Nos. 645 and 646.

Recommending that the Senate advise and consent to the nominations of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 645 WALLACE FUKUNAGA, for a term to expire 6-30-2016; and

G.M. No. 646 KIM COCO IWAMOTO, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Wallace Fukunaga and Kim Coco Iwamoto to possess the requisite qualifications to be nominated to serve on the Civil Rights Commission.

WALLACE FUKUNAGA

Your Committee received testimony in support of the nomination of Wallace Fukunaga from the Department of Labor and Industrial Relations; Hawai'i Civil Rights Commission; The Institute for Human Services, Inc.; Hawaii Friends of Civil Rights; National Association for the Advancement of Colored People, Honolulu Hawaii Branch; Japanese American Citizens League, Honolulu Chapter; and twelve individuals.

Rev. Fukunaga earned his Bachelor of Arts degree in Asian Studies from Harvard University. He later obtained his Master of Divinity from Princeton Theological Seminary and his Doctor of Ministry from Pacific School of Religion. Currently, Rev. Fukunaga is a Minister for the United Church of Christ. He previously served as President of Northshore Resources, Inc., which was a self-start restaurant and property management company, and he was awarded WorkHawaii's Small Business Person of the Year in 1984.

Rev. Fukunaga has an extensive record of community service that demonstrates his commitment to serving the community and protecting civil rights. He is the former President of the American Civil Liberties Union of Hawaii, and previously served on the Board of Directors of the Japanese American Citizens League, Japanese Cultural Center, and Mental Health Association of Hawaii. He currently serves on the Board of Directors of The Interfaith Alliance Hawaii. All of these organizations share a common mission of advocating for and protecting human dignity and civil rights.

According to testimony in support of his nomination, Rev. Fukunaga is committed to honoring diversity, serving the poor in ways that will empower and inspire them, and supporting military personnel while advocating peace. His effective leadership and listening skills, coupled with his great sense of humor, enable him to guide others through all, and sometimes difficult, situations. He is a passionate advocate for the rights of others, especially of those in the minority, and effectively negotiates for fair outcomes. While his beliefs may be based on Christian values, he is open and accepting of people of different faiths.

KIM COCO IWAMOTO

Your Committee received testimony in support of the nomination of Kim Coco Iwamoto from the Department of Labor and Industrial Relations; Hawai'i Civil Rights Commission; Hawai'i Women's Political Caucus; Pride At Work Hawai'i; Mental Health America of Hawai'i; UNITE HERE Local 5; Japanese American Citizens League, Honolulu Chapter; National Association for the Advancement of Colored People, Honolulu Hawaii Branch; and four individuals. One individual submitted comments.

Ms. Iwamoto earned her Associate in Applied Science in Merchandising from the Fashion Institute of Technology, State University of New York and obtained her Bachelor of Arts degree in Creative Writing from San Francisco State University. She later earned her Doctorate of Jurisprudence from University of New Mexico School of Law. While in law school, she was the recipient of the Elizabeth Ann Randel Award for Initiative and Innovation Toward Race and Gender Justice. She is licensed to practice law in Hawaii.

Ms. Iwamoto currently owns and manages Affordable Quality Apartment Rentals, LLC, which is a small apartment complex in urban Honolulu designed and maintained to provide an affordable housing option in the urban core. She also owns and serves as a designer for Enlightened Energy, LLC, a company that transforms urban residences into model self-sufficient dwellings and energy portals for the community.

However, Ms. Iwamoto is most notably recognized for her dedicated service to the community. She is a former elected member of the Hawaii State Board of Education, former appointed member of the Hawaii Teacher Standards Board, and formerly served on the Career & Technical Education Coordinating Advisory Council and the Safe School Community Advisory Committee. She is also a

certified therapeutic foster parent for Child & Family Services Hawaii and a certified foster parent with the Department of Human Services.

According to testimony in support of her nomination, Ms. Iwamoto is an advocate for economic and social justice. Several years ago, she served as part of a community coalition supporting hotel workers through a difficult contract negotiation. Her recognition and articulation of the economic justice issues at stake helped to educate and motivate the hotel workers through the negotiation. Her service as a certified foster parent and as an elected member of the Board of Education demonstrates her tireless dedication and advocacy for Hawaii's youth. As a member of the Board of Education, she was instrumental in amending Hawaii Administrative Rules so that Department of Education employees are prohibited from harassing or discriminating against students based on traits such as sexual orientation and gender identity expression, socioeconomic status, and physical appearance. Finally, she has served the State well through her work with the lesbian, gay, bisexual, and transgender community, by becoming the highest ranking elected transgender official in the nation, and by being a proponent of equal treatment.

Based on the testimony submitted, your Committee finds that Wallace Fukunaga and Kim Coco Iwamoto are exceptionally qualified to serve on the Civil Rights Commission. The nominees' breadth of life, professional, and community service experiences will serve the Commission and public well.

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, 2 (Gabbard, Slom). Excused, none.

SCRep. 3536 Agriculture on Gov. Msg. Nos. 826 and 827.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF AGRICULTURE

G.M. No. 826 LYNN DECOITE, for a term to expire 6-30-2016; and

G.M. No. 827 GLENN HONG, for a term to expire 6-30-2016 (Term amended to 6-30-2013 by GM922),

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Lynn Decoite and Glenn Hong to possess the requisite qualifications to be nominated to the Board of Agriculture.

LYNN DECOITE

Your Committee received testimony in support of the nomination of Lynn Decoite from the Department of Agriculture; Department of Hawaiian Home Lands; Hawaii Farm Bureau Federation; Moloka'i Chamber of Commerce; Molokai Farm Bureau; Hawaii Cattlemen's Council, Inc.; Young Brothers, Ltd.; Molokai Island Foundation; Keaukaha Panaewa Farmers Association; Ahupua'a O Moloka'i; and fifteen individuals.

Your Committee finds that Lynn Decoite has many years of agricultural experience. She is the current Owner and Ranch Handler for V-8 Ranch, where she handles breeding, branding, irrigating, and the overall maintenance and management at the ranch. She is also the Owner and Manager of L&R Farm Enterprises, LLC, overseeing the daily operations of planting, harvesting, irrigating, and marketing produce.

Ms. Decoite is a Hawaiian homestead farmer who has also established a value-added sweet potato chip business that utilizes the sweet potato grown on her farm.

Your Committee further finds that Ms. Decoite has served as a member of the Molokai Irrigation System Water Users Advisory Board, which has given her experience with complex water issues facing the agricultural industry on Molokai.

Ms. Decoite's extensive and diverse knowledge of farming and agriculture will serve her well as a member of the Board of Agriculture.

GLENN HONG

Your Committee received testimony in support of the nomination of Glenn Hong from the Department of Agriculture; Department of Labor and Industrial Relations; Young Brothers, Ltd.; Meadow Gold Dairies; Moloka'i Chamber of Commerce; Hawaii Farm Bureau Federation; Keiki Injury Prevention Coalition; Hawaii Cattlemen's Council, Inc.; and three individuals.

Your Committee finds that Glenn Hong received his Bachelor's degree in Science from the University of Southern California. He is currently the President of Young Brothers, Ltd., an inter-island cargo common carrier.

Mr. Hong serves on the boards of the Hawaii Harbors Users Group and The Foundation for the Asia Pacific Center for Strategic Studies. He is also a member of the University of Hawaii Shidler College of Business Advisory Board.

With his strong business background and experience in inter-island transportation logistics, policies, strategic planning, resource allocation, and regulation, Mr. Hong will provide the Board of Agriculture with a unique perspective on the transportation of agricultural commodities in our island state.

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, 6. Noes, none. Excused, 3 (Kahele, Tokuda, Slom).

SCRep. 3537 Agriculture on Gov. Msg. Nos. 863, 864, and 865.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE AGRIBUSINESS DEVELOPMENT CORPORATION

G.M. No. 863 PATRICK KOBAYASHI, for a term to expire 6-30-2016;

G.M. No. 864 DEREK KURISU, for a term to expire 6-30-2015; and

G.M. No. 865 LETITIA UYEHARA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Patrick Kobayashi, Derek Kurisu, and Letitia Uyehara to possess the requisite qualifications to be nominated to the Agribusiness Development Corporation.

PATRICK KOBAYASHI

Your Committee received testimony in support of the nomination of Patrick Kobayashi from the Agribusiness Development Corporation, Department of Agriculture, Hawaii Farm Bureau Federation, and two individuals.

Your Committee finds that Patrick Kobayashi received his Bachelor of Business Administration degree from Georgetown University.

Mr. Kobayashi is currently the President and Chief Executive Officer for Kobayashi Group, LLC, where he handles land acquisitions, marketing, sales, and management for various residential development projects. Mr. Kobayashi is also a Realtor with Kometani Realty, Inc.

Mr. Kobayashi is also active in the community, serving on the board of the Hawaii Red Cross and PBS Hawaii. Mr. Kobayashi also serves as a City and County of Honolulu Liquor Commissioner.

Mr. Kobayashi's valuable leadership and business experience in land acquisition will provide unique insights to the Agribusiness Development Corporation and will help it in fulfilling its mission to acquire and manage, in partnership with farmers, ranchers, and aquaculture groups, high-value lands, water systems, and infrastructure for the benefit of Hawaii's agricultural industry.

DEREK KURISU

Your Committee received testimony in support of the nomination of Derek Kurisu from the Agribusiness Development Corporation; Department of Agriculture; Department of Labor and Industrial Relations; Hawaii Farm Bureau Federation; KTA Superstores; Meadow Gold Dairies; Hawaii Food Industry Association; KYD, Inc.; and eleven individuals.

Your Committee finds that Derek Kurisu received his Bachelor's degree in Agriculture from the University of Hawaii.

Mr. Kurisu is the Executive Vice President of KTA Super Stores on the Island of Hawaii, where he has worked for over forty-four years.

Mr. Kurisu is also the founder of Mountain Apple Brand Products, a private label brand that currently has over two hundred seventy different products with sixty business partnerships. Through Mountain Apple Brand products, Mr. Kurisu has helped to diversify Hawaii's agricultural industry and provide local farmers and manufacturers a means of making their products available throughout the world.

Mr. Kurisu will bring his knowledge, innovation, and passion for local agriculture to the Board of Directors of the Agribusiness Development Corporation.

LETITIA UYEHARA

Your Committee received testimony in support of the nomination of Letitia Uyehara from the Agribusiness Development Corporation; Department of Agriculture; Department of Labor and Industrial Relations; Department of Business, Economic Development, and Tourism; Meadow Gold Dairies; and nine individuals.

Your Committee finds that 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.

Ms. Uyehara's understanding and knowledge of agriculture, garnered from her years of government and private sector experience, continue to make her an ideal 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, 6. Noes, none. Excused, 3 (Kahele, Tokuda, Slom).

SCRep. 3538 Agriculture on Gov. Msg. Nos. 873, 874, and 875.

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY COMMITTEE ON PESTICIDES

G.M. No. 873 PATRICK BILY, for a term to expire 6-30-2015;

G.M. No. 874 QING XIAO LI, for a term to expire 6-30-2015; and

G.M. No. 875 REBECCA CAROL TAYLOR, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Patrick Bily, Qing Xiao Li, and Rebecca Carol Taylor to possess the requisite qualifications to be nominated to the Advisory Committee on Pesticides.

PATRICK BILY

Your Committee received testimony in support of the nomination of Patrick Bily from the Department of Agriculture, Hawaii Land Restoration Institute, and The Nature Conservancy of Hawaii.

Your Committee finds that Patrick Bily received an Associate's degree in Social Science from Essex College.

Mr. Bily went on to establish his own landscaping service, specializing in landscape design, irrigation, pest control, and plant establishment, and also ran his own nursery.

Mr. Bily currently works for The Nature Conservancy of Hawaii, performing a variety of conservation duties and specializing in invasive plant control. He serves as a Science Specialist at The Nature Conservancy of Hawaii's Maui office. Mr. Bily is also the Chair of the Maui Invasive Species Committee.

Mr. Bily has decades of experience working with the application of herbicides in natural areas and has extensive experience in the use of new technologies to control invasive plant species.

Mr. Bily's many years of experience as a general botanist and invasive plant specialist will serve him well as a member of the Advisory Committee on Pesticides.

QING XIAO LI

Your Committee received testimony in support of the nomination of Qing Xiao Li from the Department of Agriculture and three individuals.

Your Committee finds that Qing Xiao Li received a Bachelor's degree in Agriculture from Shandong Agricultural University. Mr. Li went on to receive his Doctorate of Philosophy in Agriculture and Environmental Chemistry from the University of California at Davis. He conducted his post-doctoral training at the University of California at Berkeley in the Department of Environmental Science, Policy, and Management.

Mr. Li joined the University of Hawaii College of Tropical Agriculture and Human Resources in 1995 and has served as the Director of the Pesticide Residue Research Laboratory since that time. In this position, Mr. Li has worked closely with the Department of Agriculture's Pesticides Branch and the Department of Health's Office of Hazard Evaluation and Emergency Response.

Mr. Li has previously served a four-year term as a member of the Advisory Committee on Pesticides. His educational and professional background on pesticide research and his passion for providing solutions to pesticide problems qualify him to serve an additional term as a member of the Advisory Committee on Pesticides.

REBECCA CAROL TAYLOR

Your Committee received testimony in support of the nomination of Rebecca Carol Taylor from the Department of Agriculture.

Your Committee finds that Rebecca Carol Taylor received her Bachelor's degree in Mathematics from the University of Arkansas. Ms. Taylor received a Master's degree in Business Administration from Hawaii Pacific University. She also holds an Associate's degree in Interior Design from South Central Career College.

Ms. Taylor has experience as an engineer in the petroleum industry in Arkansas. Ms. Taylor has also worked as a Technical Planning Specialist for the State of Arkansas, helping to design and implement automated systems for government agencies and commissions. In that capacity, Ms. Taylor was tasked with accounting for the use of pesticides in Arkansas.

Your Committee further finds that Ms. Taylor previously served a four-year term as a member of the Advisory Committee on Pesticides as the representative of the citizen group. Her analytical mindset and ability to process critical information will serve her well in her second term as a member of the Advisory Committee on Pesticides.

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, 6. Noes, none. Excused, 3 (Kahele, Tokuda, Slom).

SCRep. 3539 Water, Land, and Housing on H.C.R. No. 142

The purpose and intent of this measure is to authorize the issuance of a fifty-five year term, non-exclusive easement covering an approximately 1,484 square foot portion of state submerged lands fronting the private property identified as tax map key: (2) 4-4-001:042 at Lahaina, Maui, for seawall purposes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that a seawall was constructed in 1965 along the shore to protect parcel 42 prior to the development on the site of the Hale Kai Condominium. The Association of Unit Owners of the condominium completed an environmental assessment for the seawall several years ago, and the Office of Conservation and Coastal Lands issued a finding of no significant impact. The Board of Land and Natural Resources approved the Conservation District Use Application of the seawall and consequently approved the issuance of a new fifty-five year term, non-exclusive easement. This measure fulfills the legislative approval requirement under section 171-53, Hawaii Revised Statutes, for the leasing of state submerged lands. The lessee will pay the State the fair market value of the easement and the amount shall be determined by independent appraisal.

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 H.C.R. No. 142, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Tokuda).

SCRep. 3540 Water, Land, and Housing on H.C.R. No. 143

The purpose and intent of this measure is to authorize the issuance of a fifty-five year term, non-exclusive easement covering an approximately 5,597 square foot portion of state submerged lands identified as tax map key: (2) 4-3-006:065 at Mahinahina, Lahaina, Maui, for a concrete and rubble rock revetment.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and one individual.

Your Committee finds that the Board of Land and Natural Resources originally approved the issuance of a month-to-month Revocable Permit No. S-5117 to the Association of Apartment Owners of Lokelani for a concrete and rubble rock revetment. Subsequently, the Board cancelled the revocable permit to issue a more appropriate fifty-five year term, non-exclusive easement. This measure is necessary to fulfill the legislative authorization requirement under section 171-53, Hawaii Revised Statutes, for the leasing of state submerged lands. The lessee will pay the State the fair market value of the easement and the amount shall be determined by independent appraisal.

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 H.C.R. No. 143, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 143, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Tokuda).

SCRep. 3541 Water, Land, and Housing on H.C.R. No. 162

The purpose and intent of this measure is to authorize the issuance of a fifty-five year term, non-exclusive easement covering an approximately 2,030 square foot portion of state submerged lands identified as seaward of tax map key: (2) 3-8-002:51 at Spreckelsville Beach Lots, Wailuku, Maui for a seawall.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that the Board of Land and Natural Resources approved the issuance of a fifty-five year term, non-exclusive easement to Koolau Properties LLC for a seawall constructed at Spreckelsville Beach Lots. Koolau Properties LLC has paid the easement's fair market value of \$53,400 plus fees on November 17, 2011. This measure fulfills the legislative authorization requirement under section 171-53, Hawaii Revised Statutes, for the leasing of state submerged lands.

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 H.C.R. No. 162, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Tokuda).

SCRep. 3542 Public Safety, Government Operations, and Military Affairs on H.C.R. No. 92

The purpose and intent of this measure is to urge the President and Congress of the United States to adopt the Veterans Remembered Flag.

Your Committee received testimony in support of this measure from one individual. Testimony in opposition was received from the Maui County Veterans Council.

It is estimated that more than twenty million veterans, affiliated and unaffiliated with veterans' organizations, have served in the United States armed services. There are flags honoring all branches of the armed services, as well as flags for POWs and MIAs, but there is no official flag to honor military veterans and the service that they have provided to the nation. Your Committee believes that a flag to honor veterans would provide an enduring symbol of gratitude for the contributions that veterans have made to the nation.

Your Committee has amended this measure by:

- (1) Changing the BE IT RESOLVED paragraph to urge the President of the United States and Congress to create and adopt an appropriate flag, not necessarily the Veterans Remembered Flag, to honor veterans; and
- (2) Amending the title to read: "URGING THE PRESIDENT AND CONGRESS OF THE UNITED STATES TO CREATE AND ADOPT AN APPROPRIATE FLAG HONORING VETERANS."

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. 92, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 92, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3543 Health on H.C.R. No. 154

The purpose and intent of this measure is to request the Department of Health to develop a state action plan to combat chronic obstructive pulmonary disease in the State.

Your Committee received testimony in support of this measure from the Hawaii COPD Coalition and one individual.

Your Committee finds that chronic obstructive pulmonary disease is the third leading cause of death in the United States and the second leading cause of disability. On average, one American dies from this disease every four minutes. Your Committee further finds that chronic obstructive pulmonary disease has not received the attention warranted by a condition of such severity and prevalence. Consequently, efforts to advance public awareness of prevention, diagnosis, and treatment of chronic obstructive pulmonary disease are of critical importance.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 154, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Wakai, Slom).

SCRep. 3544 Commerce and Consumer Protection on H.C.R. No. 9

The purpose and intent of this measure is to request the Auditor to assess the social and financial effects of requiring health insurance coverage for fertility preservation procedures for persons of reproductive age who have been diagnosed with cancer and will undergo treatment that may adversely affect fertility.

Your Committee received testimony in support of this measure from the American Cancer Society.

Your Committee finds that cancer is often a physical, emotional, and financial challenge for a person fighting the disease. One devastating result of cancer can be losing the ability to bear offspring. Allowing cancer patients the chance to preserve fertility through artificial means could help patients move past the depressive nature of their cancer diagnosis.

Your Committee further finds that this measure requests the Auditor to assess the social and financial effects of requiring health insurance coverage for fertility preservation procedures for certain persons of reproductive age who have been diagnosed with cancer, as proposed under House Bill No. 2105 (2012), pursuant to the procedural requirements under sections 23-51 and 23-52, Hawaii Revised Statutes, for legislation proposing mandatory health insurance coverage.

Your Committee has amended this measure by:

- (1) Inserting references to House Bill No. 2105, Regular Session of 2012; 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 concurs with the intent and purpose of H.C.R. No. 9, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 9, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3545 Commerce and Consumer Protection on H.C.R. No. 58

The purpose and intent of this measure is to request the Public Utilities Commission to direct electric utilities to examine specific renewable energy strategies in the integrated planning process.

Your Committee received testimony in support of this measure from the Public Utilities Commission; Department of Commerce and Consumer Affairs, Division of Consumer Advocacy; Hawaiian Electric Company, Inc.; and Hawaii BioEnergy, LLC.

Your Committee finds that this measure requests the Public Utilities Commission to examine different integrated resource planning strategies and resource options and other energy-focused topics and to direct electric utilities to consider strategies such as geothermal energy, hydrogen and other energy storage technologies, and electricity from waste-to-energy resources. Your Committee further finds these strategies are important considerations in the integrated resource planning process, which has essentially become an important state energy planning process that is critical to electric utilities' efforts to meet renewable portfolio standards.

Your Committee notes that a clarifying amendment to the title of this measure is needed for consistency with terminology and definitions used in the revised integrated resource planning framework.

Accordingly, your Committee has amended this measure by changing its title to refer to “specific renewable energy strategies” instead of “specific renewable energy scenarios”.

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 H.C.R. No. 58, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 58, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3546 (Joint) Commerce and Consumer Protection and Economic Development and Technology on H.C.R. No. 118

The purpose and intent of this measure is to request the Auditor to perform a sunrise review on the regulation of ziplines and canopy tours.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations and two individuals. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that this measure requests the Auditor to perform a sunrise review pursuant to section 26H-6, Hawaii Revised Statutes, on the regulation of ziplines and canopy tours as proposed in legislation during the Regular Session of 2012. The Auditor’s analysis would set forth the probable effects of the proposed regulatory measure, assess whether its enactment is consistent with section 26H-6, Hawaii Revised Statutes, and assess alternate forms of regulation. Your Committees further find that a sunrise review is a necessary step to ensure the safety and security of participants and workers in the State’s growing zipline and canopy tour industry.

Your Committees additionally find that section 26H-6, Hawaii Revised Statutes, states that a referral to the Auditor for a sunrise analysis shall be by concurrent resolution that identifies a specific legislative bill to be analyzed; however this measure does not identify a specific legislative bill. Your Committees note that a public hearing was held during the Regular Session of 2012 on Senate Bill No. 2433, S.D. 2, Relating to Challenge Course Technology. Your Committees conclude that amendments to this measure are necessary to direct the Auditor to analyze Senate Bill No. 2433, S.D. 2.

Accordingly, your Committees have amended this measure by:

- (1) Inserting references to Senate Bill No. 2433, S.D. 2, Regular Session of 2012, and making corresponding clarifying amendments; 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 Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 118, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 118, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Fukunaga, Solomon, Taniguchi).

SCRep. 3547 Ways and Means on H.C.R. No. 178

The purpose and intent of this measure is to request each of the various state departments to report to the Legislature through the Department of Budget and Finance on their energy conservation contracts and power purchase agreements.

Additionally, the measure requests the University of Hawaii, Department of Transportation, Department of Accounting and General Services, and Department of Education to provide a detailed analysis to the Legislature through the Department of Budget and Finance on their power purchase agreements.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and one individual. The Department of Budget and Finance and the Department of Education submitted comments on the measure.

Your Committee finds that maintenance contracts help keep major building facilities in good working order to avoid disruptions and to ensure safe and secure work places. Your Committee further finds that the annual cost of maintenance agreements throughout all state departments and agencies is substantial. The reports requested by this measure will help the State determine whether it would be financially beneficial for the State to self-insure some or all of these maintenance costs.

Your Committee has amended this measure by:

- (1) Clarifying in the title and body that the measure applies to all of the various state departments and the University of Hawaii; 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 concurs with the intent and purpose of H.C.R. No. 178, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 178, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Espero, Fukunaga, Kahele, Kouchi).

SCRep. 3548 (Joint) Water, Land, and Housing and Tourism and Transportation and International Affairs on H.C.R. No. 169

The purpose and intent of this measure is to urge the establishment of a Koreatown and development of a master plan for the development of a Koreatown.

Your Committees did not receive testimony on this measure.

Your Committees find that Koreans have had a long and diverse history in Hawaii and their influence continues to grow. On Oahu there is the Japanese Cultural Center, the Okinawan Center, Chinatown, and the Waipahu Filipino Community Center. Establishing a Koreatown would be the natural progression in acknowledging Koreans' contributions to Hawaii and add color and vibrancy to our environment for residents and visitors. A Koreatown in the State will enhance not only Korean tourists' experiences but also display Hawaii's welcoming culture to all ethnicities.

Your Committees have amended this measure by:

- (1) Including neighborhood boards and other applicable community organizations as additional organizations with which the Office of Planning is to coordinate in developing the master plan for Koreatown;
- (2) Providing the Office of Planning with more discretion in determining the specific elements to be included in the master plan;
- (3) Clarifying that the designation of a Koreatown in Hawaii is to highlight the cultural significant contributions of Koreans in Hawaii;
- (4) Extending the deadline for reporting to the Legislature to no later than twenty days prior to the convening of the Regular Session of 2014; 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 Tourism and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 169, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 169, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 5 (Espero, Fukunaga, Galuteria, Kahele, Tokuda).

SCRep. 3549 Economic Development and Technology on H.C.R. No. 50

The purpose and intent of this measure is to request the Governor to direct the placement of two plaques, to be funded by the Korean community, at:

- (1) Aliiolani Elementary School and to read in English and Korean "Korean Christian Institute Site 1918 – 1922"; and
- (2) Kalihi Elementary School and to read in English and Korean "Korean Christian Institute Site 1922 – 1947".

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that the Department of Land and Natural Resources State Historic Preservation Division would provide comments on signage, such as the plaques, affecting historic property, and the Department of Accounting and General Services would be responsible for the installation of any plaques. As such, it would be appropriate to involve these two agencies in determining the placement of the plaques to meet any federal or state requirements.

Your Committee has amended this measure accordingly, by:

- (1) Amending the title to more appropriately read: "REQUESTING THE GOVERNOR TO RECOGNIZE LOCAL KOREANS BY DIRECTING THE PLACEMENT OF COMMEMORATIVE PLAQUES DESIGNATING THE FORMER SITES OF THE KOREAN CHRISTIAN INSTITUTE";
- (2) Adding language to request the following:
 - (A) The State Historic Preservation Division to work with the Korean National Association in the design of the two plaques to ensure that the plaques meet all signage requirements for historic properties; and
 - (B) The Department of Accounting and General Services to coordinate the installation of the plaques; 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 concurs with the intent and purpose of H.C.R. No. 50, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 50, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 3550 Economic Development and Technology on H.C.R. No. 51

The purpose and intent of this measure is to request the Governor to direct the placement of a plaque, to be funded by the Korean community, at the Kalanimoku Building, and to read in English and Korean "Korean Boarding School for Boys and Korean Methodist Church Site, 1906 – 1918".

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that the Department of Land and Natural Resources State Historic Preservation Division would provide comments on signage, such as the plaque, affecting historic property, and the Department of Accounting and General Services would be responsible for the installation of any plaque. As such, it would be appropriate to involve these two agencies in determining the placement of the plaque to meet any federal or state requirements.

Your Committee has amended this measure accordingly, by:

- (1) Adding language to request the following:
 - (A) The State Historic Preservation Division to work with the Korean National Association in the design of the plaque to ensure that the plaque meets all signage requirements for historic properties; and
 - (B) The Department of Accounting and General Services to coordinate the installation of the plaque; 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 concurs with the intent and purpose of H.C.R. No. 51, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 51, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Solomon, Slom).

SCRep. 3551 (Joint) Health and Commerce and Consumer Protection on H.C.R. No. 177

The purpose and intent of this measure is to request the Legislative Reference Bureau to conduct a study relating to mandating insurance coverage for the treatment of autism spectrum disorders.

Specifically, this measure requests the Legislative Reference Bureau to:

- (1) Assess the impact of the Patient Protection and Affordable Care Act on the proposal in Senate Bill No. 2631, S.D. 2, Regular Session of 2012, to require insurance coverage for the diagnosis and treatment of autism spectrum disorders by accident and health or sickness insurers, mutual benefit societies, and health maintenance organizations;
- (2) Assess the impact such an autism spectrum disorder coverage mandate would have on programs financed by the State, including but not limited to the Hawaii Employer-Union Health Benefits Trust Fund and QUEST programs;
- (3) Analyze the cost of providing insurance coverage for autism spectrum disorders in Hawaii, based on actual cost effects experienced in other states that require such coverage, to the extent of available information;
- (4) Report information on the recommended clinical guidelines made by organizations such as the American Academy of Pediatrics, the United States Surgeon General, the National Institute of Mental Health, or the National Research Council for the treatment of autism spectrum disorders; and
- (5) Provide information on the reported clinical effectiveness of treatments for autism spectrum disorders that are covered by insurance in states that mandate coverage for autism treatments.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, Special Education Advisory Council, Kaiser Permanente, Autism Behavior Consulting Group, Inc., Autism Speaks, and three concerned individuals.

Your Committees received comments on this measure from the Legislative Reference Bureau.

Your Committees find that a mandate for insurers in Hawaii to provide coverage for treatment for autism spectrum disorders may have significant impacts on patients, insurers, and the State itself. Your Committees believe that it is important to thoroughly evaluate the effects of such an insurance mandate, in light of the experiences in other states that mandate coverage for autism treatment.

Your Committees have amended this measure by:

- (1) Clarifying that the Legislative Reference Bureau is requested to provide information on autism treatments for which other states mandate coverage, the extent to which those treatments are required to be covered by insurance in those states, and the effectiveness of the mandate in identifying and treating patients in those states, to the extent of available information; and
- (2) Requesting the Administrator of the Hawaii Employer-Union Health Benefits Trust Fund and the Administrator of the Department of Human Services MedQUEST Division to provide information and assistance to the Legislative Reference Bureau for the purposes of its study.

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 H.C.R. No. 177, H.D. 2, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 177, H.D. 2, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Galuteria, Shimabukuro).

SCRep. 3552 Judiciary and Labor on Gov. Msg. No. 798.

Recommending that the Senate advise and consent to the nomination of the following:

HOISTING MACHINE OPERATORS ADVISORY BOARD

G.M. No. 798 TRISTAN ALDEGUER, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Tristan Aldeguer to possess the requisite qualifications to be nominated to serve on the Hoisting Machine Operators Advisory Board.

Your Committee received testimony in support of the nomination of Tristan Aldeguer from the General Contractors Association of Hawaii and two individuals.

Mr. Aldeguer earned his Associate's degree in Occupational and Environmental Safety Management from Honolulu Community College and holds two safety professional designations from the Board of Certified Safety Professionals. He currently serves as the Regional Safety Manager at dck pacific construction, LLC. His experience includes working on or managing diversified construction projects that use complex crane lifting apparatuses and lifting configurations. Of particular note, he served as the Project Safety Representative for the construction of the new parking garage at the Honolulu International Airport that included 1,468 critical crane lifts and was responsible for ensuring the safety of the general public and construction workers on that project.

Testifiers in support of the nominee indicate that Mr. Aldeguer has exceptional special training and understands the importance of safety and operation. He is recognized by his peers as a leader for his ability to achieve results through teamwork. He has also been commended for his excellent communication and negotiation skills, extensive field safety experience, and diverse understanding of the construction process.

Your Committee finds that the Hoisting Machine Operators Advisory Board plays an important role in the construction industry, and the Board's involvement has a broad effect on the health and safety of the public. Mr. Aldeguer understands the importance of safety in the construction industry and will be able to share his perspective from a construction safety point of view. His experience, knowledge, and skills will be invaluable to the Hoisting Machine Operators Advisory 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, 5. Noes, none. Excused, none.

SCRep. 3553 Judiciary and Labor on Gov. Msg. Nos. 841 and 842.

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGISTRATION OF THE ISLANDS OF MAUI, MOLOKA'I, LANA'I, AND KAHO'OLAWA

G.M. No. 841 BRANDON STARR, for a term to expire 6-30-2016; and

G.M. No. 842 GENNARO ZARRO, JR., for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Brandon Starr and Gennaro Zarro, Jr., to possess the requisite qualifications to be nominated to serve on the Board of Registration of the Islands of Maui, Moloka'i, Lana'i, and Kaho'olawe.

BRANDON STARR

Your Committee received testimony in support of the nomination of Brandon Starr from the Office of Elections and one individual.

Mr. Starr earned his Certificate and Associate's degree in Legal Studies and is currently pursuing his Bachelor of Science degree in Legal Studies from the National Paralegal College. He currently serves as a Paralegal and Office Manager for the Law Offices of Ryther L. Barbin where his major responsibilities include interviewing clients; performing legal research; managing vendors, advertising, banking, and trust accounts; preparing legal documents; and preparing for and attending court hearings. He is also the Co-Owner and Director of Operations for Maui Martial Arts, LLC.

According to testimony submitted in support of the nominee, Mr. Starr is described as a diligent, bright, and detailed paralegal. Testimony indicates that Mr. Starr is also aware of the political affairs occurring on the county, state, and national levels, has a firm understanding of government affairs, and is fair and considers all sides before making decisions.

GENNARO ZARRO, JR.

Your Committee received testimony in support of the nomination of Gennaro Zarro, Jr., from the Office of Elections.

Mr. Zarro earned his Bachelor's degree in Economics from Rutgers University. For the past fifteen years, he has served as the Board Chairperson of the South Maui Learning Ohana and Kihei Charter Schools. In 2011, he became the Chief Executive Officer for South Maui Learning Ohana, Inc.

Mr. Zarro is nominated for reappointment to the Board of Registration of the Islands of Maui, Moloka'i, Lana'i, and Kaho'olawe and currently serves as the Board Chairperson. He is a committed and hardworking member who understands his role and responsibilities and strives to achieve the Board's mission.

Based on the testimony submitted, your Committee finds that Brandon Starr and Gennaro Zarro, Jr., are exceptionally qualified to serve on the Board of Registration of the Islands of Maui, Moloka'i, Lana'i, and Kaho'olawe. The nominees' backgrounds, knowledge, and skills will serve the Board and public well.

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, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 3554 Judiciary and Labor on Gov. Msg. Nos. 843, 844, 845, 846, 847, and 848.

Recommending that the Senate advise and consent to the nominations of the following:

LANGUAGE ACCESS ADVISORY COUNCIL

- G.M. No. 843 MELBA BANTAY, for a term to expire 6-30-2016;
- G.M. No. 844 JENNIFER DOTSON, for a term to expire 6-30-2015;
- G.M. No. 845 MARGARITA HOPKINS, for a term to expire 6-30-2016;
- G.M. No. 846 DOMINIC INOCELDA, for a term to expire 6-30-2016;
- G.M. No. 847 GERALD OHTA, for a term to expire 6-30-2016; and
- G.M. No. 848 MARY SANTA MARIA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Melba Bantay, Jennifer Dotson, Margarita Hopkins, Dominic Inocelda, Gerald Ohta, and Mary Santa Maria to possess the requisite qualifications to be nominated to serve on the Language Access Advisory Council.

MELBA BANTAY

Your Committee received testimony in support of the nomination of Melba Bantay from the Department of Labor and Industrial Relations; Department of Health; Office of Language Access; Catholic Charities of Hawai'i; Congress of Visayan Organizations; Nursing Advocates & Mentors, Inc.; Office of the Vicar General, Diocese of Honolulu; United Filipino Council of Hawaii; Hawaii Catholic Conference; and five individuals.

Ms. Bantay earned her Bachelor of Science degree in Commerce from Far Eastern University in Manila, Philippines, her Master of Arts in Theology from Maryknoll School of Theology in New York, and her Master of Public Health from the University of Hawaii at Manoa. She is accredited by the United States Board of Immigration Appeals as an agency representative to represent immigration clients before the United States Citizenship and Immigration Services.

Ms. Bantay currently serves as the Program Director for Immigration Services and Refugee Reception and Placement Programs at Catholic Charities Hawai'i. She is responsible for the overall management of program budgets, direction of program planning and activities, maintenance of internal standards for program improvement, and achievement of program goals and objectives. She has been employed at Catholic Charities since 1985 and has served various positions, including Statistician, Supervisor of Immigrant Services, and Program Director of Employment Core Services for Low-Income Immigrants and Other Low-Income Persons. She is fluent in Tagalog, English, and Spanish.

Ms. Bantay lived and worked as a missionary in Guatemala and Nicaragua and worked with Spanish Jesuit priests in forming basic Christian communities among the poor in Managua, Nicaragua. She has committed herself to serving the Hawaii community through her involvement with the Hawaii Covering Kids Ad Hoc Committee, Interagency Council of Immigrant Service Providers, Honolulu Catholic Diocese Prison Ministry, St. Theresa Parish Pastoral Council, and Hawaii Coalition for Immigration Reform.

Ms. Bantay is nominated for reappointment to the Language Access Advisory Council. As a member, she has been a passionate and tenacious advocate for immigrants and refugees and strives to ensure that language is not a barrier to acquiring needed services. She is highly regarded for her character, professionalism, thoroughness, persistence, and skilled stewardship of limited resources. She is an outstanding member and invaluable asset to the Council.

JENNIFER DOTSON

Your Committee received testimony in support of the nomination of Jennifer Dotson from the Office of Language Access and one individual.

Ms. Dotson earned her Bachelor of Science degree in International Relations from Georgetown University and a Master of Science degree in Comparative Economics from the London School of Economics and Political Science. She is the former Executive Director of the Hawaii Chapter of Mothers Against Drunk Driving. She is fluent in Cantonese and Mandarin. She is also the recipient of Hawaii Business Magazine's 20 for the Next 20 recognition and was part of Pacific Business News' class of Forty Under 40.

Ms. Dotson has committed herself to serving the Hawaii community. She serves as the President-Elect of the Junior League of Honolulu, a Director for Envision Hawaii, the Executive Vice President on the Interview Admissions Committee of the Georgetown Alumni Club, and a reading tutor for Hawaii Literacy.

Ms. Dotson is nominated for reappointment to the Language Access Advisory Council. She has been a very active member and has served as the Chairperson of the Council's Annual Hawaii Conference on Language Access for the past three years and will again serve as Conference Chairperson this year. She is a reliable, dependable, hardworking, bright, and personable contributing member and invaluable asset to the Council.

MARGARITA HOPKINS

Your Committee received testimony in support of the nomination of Margarita Hopkins from the Department of Labor and Industrial Relations, Office of Language Access, Congress of Visayan Organizations, and four individuals.

Ms. Hopkins earned a Bachelor of Science degree in Accounting from St. Joseph College and a Master of Science degree in Agricultural Economics from Xavier University and has completed coursework for a Doctorate in Agricultural Economics at Oregon State University. She currently serves as an Economic Development Specialist with the Department of Research and Development of the County of Hawaii. She previously served in a number of academic positions at the College of Business and Economics at the University of Hawaii at Hilo and as a Marketing Specialist and Economist for the Kuwait Institute for Scientific Research. She is proficient in Cebuano (Visayan), Tagalog, and Spanish.

Ms. Hopkins is active in the Big Island Resource Conservation and Development Council, Hawaii Forest Stewardship Advisory Council, and Sea Grant Advisory Committee. She also previously served as President and Board member of the Filipino Chamber of Commerce, Congress of Visayan Organizations, Big Island Filipino Community Council, and Hilo Visayan Club. She is the recipient of several government service and community service awards.

According to testimony submitted in support of the nominee, Ms. Hopkins is a tireless and passionate advocate for immigrants and other vulnerable communities. Her knowledge of rural and neighbor island issues will be invaluable to the Language Access Advisory Council's efforts in providing language access to English language learners, so they may become strong contributing members to the community.

DOMINIC INOCELDA

Your Committee received testimony in support of the nomination of Dominic Inocelda from the Department of Labor and Industrial Relations; Office of Language Access; Congress of Visayan Organizations; United Filipino Council of Hawaii; Oahu Filipino Community Council; Nursing Advocates & Mentors, Inc.; Kalihi-Palama Culture & Arts Society, Inc.; Susannah Wesley Community Center; and four individuals.

Mr. Inocelda earned his Bachelor of Arts degree in Sociology and his Master of Social Work from the University of Hawaii at Manoa. He is a licensed Clinical Social Worker who currently serves as a Clinical Administrator for the Bilingual Care Coordination and Support Services Program at the Susannah Wesley Community Center. Since 1982, he has served in various program management and administrative roles at the Susannah Wesley Community Center and worked with limited and non-English speakers, the elderly, public housing residents, youth and adolescents with emotional disturbances, immigrant families, and persons with serious mental illnesses. A few years ago, he was recognized by the Hawaii Chapter of the National Association of Social Workers as the Social Worker of the Year for Social Justice.

Mr. Inocelda has committed himself to serving the Hawaii community. He currently serves as the President of the Inter-Agency Council for Immigrant and Refugee Services where he is a strong advocate for immigrants, marginalized groups, and vulnerable individuals. He mobilized key stakeholders from the public and private sectors to support the passage of the State's language access law to ensure that all state agencies provide limited English proficient individuals with meaningful access to state-funded services, programs, and activities. He also serves as a Branch Board member of the Leeward YMCA, a member and President of the Kalihi-Palama Culture and Arts Society, Inc., the Chairperson of the Foster Grandparent Advisory Committee, and a Board Member for the Family Service Center.

Mr. Inocelda is nominated for reappointment to the Language Access Advisory Council. He currently serves as the Council's Chairperson. He is highly regarded for his character, professionalism, thoroughness, persistence, and skilled stewardship of limited resources. His extensive experience in working with various segments of the community and his longstanding commitment to public service will serve the Council well.

GERALD OHTA

Your Committee received testimony in support of the nomination of Gerald Ohta from the Department of Labor and Industrial Relations, Office of Language Access, and Papa Ola Lokahi.

Mr. Ohta is currently employed at the Department of Health where he serves as an Affirmative Action Officer and the Department's Language Access Coordinator and Americans with Disabilities Act Coordinator. He previously served as the Deputy for the Office of Affirmative Action.

Mr. Ohta actively serves as a member of the Association of Refugee Health Coordinators, Centers for Disease Control and Prevention's Public Health Training Network, Hawaii Supreme Court Committee on Equality and Access to the Courts, and Hawaii Healthcare Acquired Infections Advisory Committee. He has also served as an instructor or trainer for numerous courses, including unlawful harassment, employment discrimination, reasonable accommodation, and counseling. He is also an advocate for public health issues, National Hawaiian health, health equality, and persons with disabilities. Lastly, he has participated as a panelist, speaker, or moderator in many conferences and has appeared in television and radio programs on health care, language access, and affirmative action.

Mr. Ohta is nominated for reappointment to the Language Access Advisory Council. He currently serves as the Council's Vice Chairperson. As a member of the Council, he has worked with schools, universities, enforcement agencies, and public health agencies to ensure that the limited English speaking population is not denied essential government services. He also brings to the Council a wealth of contacts with language access advocates, organizations, and agencies located outside of the State.

MARY SANTA MARIA

Your Committee received testimony in support of the nomination of Mary Santa Maria from the Department of Labor and Industrial Relations and Office of Language Access.

Ms. Santa Maria earned her Bachelor of Science degree in Physical Education from the University of Texas at Austin, her Master of Science degree in Athletic Administration from Texas A&I University, and her Master of Public Health from the University of Hawaii at Manoa. She is currently employed at the Maui District Health Office of the Department of Health where she serves as a Public Health Educator and is responsible for conducting training, workshops, and presentations on chronic disease and related issues. She previously served as an HIV Counselor/Tester Trainer and Quality Assurance Coordinator and HIV Prevention Educator for the Department and has worked on healthy community projects, family planning, and physical fitness promotion. She speaks Spanish and Italian.

Ms. Santa Maria actively serves with the Maui County Healthy Volunteers, Maui AIDS Foundation Board, and Friends of Haleakala National Park Board. She is also involved with the National Peace Corps Association, Maui Interpreter Hui, and Hawaii

Public Health Association. She is a recipient of the Governor's Outstanding Team Award for her service on the Dengue Response Team for the Maui District Health Office and was recognized as an Outstanding Young Woman of America in 1980.

Ms. Santa Maria is nominated for reappointment to the Language Access Advisory Council. In addition to her various educational, community, and professional achievements and experiences, her work and knowledge in language access, medical interpreting training, and health services access for limited English proficient persons will enable her to continue making valuable contributions to the Council.

Given the background, skills, and experience of the nominees, your Committee finds that all of the nominees are eminently qualified to serve on the Language Access Advisory Council.

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, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 3555 Judiciary and Labor on Gov. Msg. Nos. 898 and 899.

Recommending that the Senate advise and consent to the nominations of the following:

HOISTING MACHINE OPERATORS ADVISORY BOARD

G.M. No. 898 DONALD GENTZLER, for a term to expire 6-30-2013; and

G.M. No. 899 PAUL JOHNSTON, JR., for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Donald Gentzler and Paul Johnston, Jr., to possess the requisite qualifications to be nominated to serve on the Hoisting Machine Operators Advisory Board.

DONALD GENTZLER

Your Committee received testimony in support of the nomination of Donald Gentzler from the Operating Engineers Local Union No. 3 and Hawaii Operating Stabilization Engineers Industry Stabilization Fund.

Mr. Gentzler currently serves as a Dispatcher for the Operating Engineers Local Union No. 3 and has over twenty-five years of experience as a Crane and Heavy Operator. He has experience ranging from small to large hydraulic cranes, lattice crawlers, and tower cranes. He has tirelessly dedicated his time and efforts to ensure that his coworkers are working in a safe environment. His concern for his peers in the industry and his willingness to share his experience and knowledge will be invaluable assets to the Hoisting Machine Operators Advisory Board.

PAUL JOHNSTON, JR.

Your Committee received testimony in support of the nomination of Paul Johnston, Jr., from the General Contractors Association of Hawaii, Laborers' International Union of North America Local 368, Hawaii Operating Engineers Industry Stabilization Fund, and six individuals.

Mr. Johnston earned his Bachelor of Science in Engineering degree in Occupational Safety and Health from the University of Wisconsin Whitewater. He is authorized by the Occupational Safety and Health Administration (OSHA) Training Institute to teach ten- and thirty-hour OSHA Construction Safety Outreach courses. He also holds a certification as a Construction Health and Safety Technician from the Board of Certified Safety Professionals and is currently pursuing an Associate Safety Professional certification from the Board.

Mr. Johnston currently serves as a District Health and Safety Executive (HSE) Manager for Nordic PCL Construction, Inc., where his duties include ensuring that districts are in compliance with HSE requirements, developing project HSE plans with project management teams, performing formal work site HSE inspections, and developing HSE training programs for staff. He previously served as a Safety Consultant for B-Safe Consulting Services and a Safety Administrator for Dick Pacific Construction.

According to the testimony submitted in support of the nominee, Mr. Johnston has exceptional experience in the field of project management and occupational safety and health. He is well respected in the construction industry and is known for his hands-on field safety experience. His knowledge and experience will be invaluable assets to the Hoisting Machine Operators Advisory Board.

Given the background, skills, and experience of the nominees, your Committee finds that Donald Gentzler and Paul Johnston, Jr., are eminently qualified to serve on the Hoisting Machine Operators Advisory 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, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 3556 Education on Gov. Msg. No. 879.

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII MEDICAL EDUCATION COUNCIL

G.M. No. 879 JAMES HASTINGS, 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 Hastings to possess the requisite qualifications to be nominated to the Hawaii Medical Education Council.

Your Committee received testimony in support of the nomination of James Hastings from one individual.

Your Committee finds that Dr. Hastings received a Bachelor's degree from Amherst College. He went on to receive a Medical Doctor degree from New York University School of Medicine. He completed his medical internship at the University of Virginia Hospital and his residency at Vanderbilt University Hospital. He completed two cardiology fellowships, one at Vanderbilt University Hospital and the other at Walter Reed Army Medical Center.

Dr. Hastings is currently the Director of the Spark M. Matsunaga Veteran's Administration Medical and Regional Office Center, where he is responsible for directing the delivery of health care services and benefits to veterans in Hawaii, Guam, and American Samoa. In this capacity, Dr. Hastings has direct involvement with graduate medical education programs.

Dr. Hastings also serves as an educator at the University of Hawaii John A. Burns School of Medicine. Until December 2003, Dr. Hastings was the Chairman of the Department of Medicine at the John A. Burns School of Medicine. In this capacity, he had educational responsibilities for medical students, residents, and continuing medical education for staff.

Dr. Hastings has also served as Commanding General at Tripler Army Medical Center and as Commanding General at Dwight David Eisenhower Army Medical Center and Walter Reed Army Medical Center.

Your Committee finds that the Veteran's Administration funds positions in graduate medical education across the United States and in Hawaii. As such, Dr. Hastings' experience as a medical educator, Director of the Spark M. Matsunaga Veteran's Administration Medical and Regional Office Center, and current member of the Hawaii Medical Education Council continues to make him a valuable member of the Council.

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 (Taniguchi).

SCRep. 3557 Education on Gov. Msg. Nos. 880, 881, 882, 883, 884, and 885.

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII MEDICAL EDUCATION COUNCIL

G.M. No. 880 GARY KAJIWARA, for a term to expire 6-30-2015;

G.M. No. 881 VICKI MCMANUS, for a term to expire 6-30-2013;

G.M. No. 882 KENNETH ROBBINS, for a term to expire 6-30-2013;

G.M. No. 883 DARRYL SALVADOR, for a term to expire 6-30-2015;

G.M. No. 884 SHARON VITOUSEK, for a term to expire 6-30-2013; and

G.M. No. 885 PAULA YOSHIOKA, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Gary Kajiwara, Vicki McManus, Kenneth Robbins, Darryl Salvador, Sharon Vitousek, and Paula Yoshioka to possess the requisite qualifications to be nominated to the Hawaii Medical Education Council.

GARY KAJIWARA

Your Committee received testimony in support of the nomination of Gary Kajiwara from the Healthcare Association of Hawaii and three individuals.

Your Committee finds that Mr. Kajiwara received a Bachelor of Arts degree, Master of Business Administration degree, and a Master of Public Health degree from the University of Hawaii.

Mr. Kajiwara has over thirty-five years of experience as a healthcare executive. Since 1990, Mr. Kajiwara has served as the President and Chief Executive Officer of Kuakini Health Systems and its subsidiaries. Prior to that, Mr. Kajiwara served in various executive positions within Kuakini Health Systems.

Mr. Kajiwara currently serves as a member of the Hawaii Medical Education Council. His experience and involvement in graduate medical education from the perspective of a healthcare provider and former institutional sponsor of a medical residency program will continue to provide the Council with a unique perspective.

VICKI MCMANUS

Your Committee received testimony in support of the nomination of Vicki McManus from one individual.

Your Committee finds that Ms. McManus received a Bachelor's degree in Food Science and Nutrition from San Francisco State University.

Ms. McManus is currently the Manager of Millberry Creek, LLC, a real estate management company that manages long-term and vacation rental properties. She is also a Partner in Palm Records, Inc., which provides business and technical support to other small businesses. She is also a Trustee of the DeDomenico Trust, managing the Trust's real estate holdings.

Ms. McManus testified that as a resident of the Island of Hawaii, she has first-hand experience with the shortages of physicians in rural areas. Ms. McManus is a strong proponent of physician training and residency programs on the neighbor islands.

Ms. McManus' business and entrepreneurial background will provide the Hawaii Medical Education Council with a perspective that is different and unique from Council members from the healthcare field.

KENNETH ROBBINS

Your Committee received testimony in support of the nomination of Kenneth Robbins from one individual.

Your Committee finds that Mr. Robbins received a Bachelor's degree in Biology from Stanford University. He received his Medical Doctor degree from the University of California at San Diego School of Medicine.

Mr. Robbins is currently the Executive Vice President and Chief Medical Officer of Hawaii Pacific Health. Prior to his administrative career, Mr. Robbins was a full-time practicing pediatrician at Straub Clinic and Hospital. He previously held a full-time position on the Pediatric Faculty at the University of Hawaii John A. Burns School of Medicine and continues to teach pediatric residents as an Associate Clinical Professor of Pediatrics.

Mr. Robbins testified that in his position with Hawaii Pacific Health, he is directly responsible for overseeing the recruitment of physicians for Hawaii Pacific Health's hospitals and medical groups. In this role, he has been active in physician recruitment activities in Hawaii for the last ten years and is aware of the needs for primary care physicians and specialists in the State.

Mr. Robbins experience and knowledge relating to physician recruitment and medical education and residency, as well as his clinical and management experience, make him an ideal candidate to serve on the Hawaii Medical Education Council.

DARRYL SALVADOR

Your Committee received testimony in support of the nomination of Darryl Salvador from the Hawaii Psychological Association and five individuals.

Your Committee finds that Mr. Salvador received a Bachelor's degree in Education and a Master's degree in Education from the University of Hawaii at Manoa. Mr. Salvador received a Doctor of Psychology degree in Clinical Psychology from Argosy University.

Mr. Salvador currently serves as a clinician at the Schofield Barracks Health Center's Family Practice Clinic. He is the former Director of Behavioral Health Services at Molokai Community Health Care, Inc., which provides behavioral health services to underserved populations on the Island of Molokai.

Mr. Salvador understands the importance of having a number of adequate physicians to meet the State's healthcare needs and has direct experience serving in a rural, medically underserved area through his previous work on Molokai. Mr. Salvador's experiences will provide the Hawaii Medical Education Council with a unique perspective on addressing the increasing shortage of primary care physicians.

SHARON VITOUSEK

Your Committee received testimony in support of the nomination of Sharon Vitousek from two individuals.

Your Committee finds that Ms. Vitousek received a Bachelor's degree in Political Science from Williams College. She received her Medical Doctor degree from the University of Hawaii John A. Burns School of Medicine.

Ms. Vitousek is the North Hawaii Outcomes Project Director for the Earl and Doris Bakken Foundation. Prior to this, Ms. Vitousek served as the Medical Director of Hawaii Health Information Corporation and as a physician in private practice. Ms. Vitousek has also served as a faculty member at the John A. Burns School of Medicine and as an Attending Physician at The Queen's Medical Center.

Ms. Vitousek is a founding board member of the North Hawaii Community Hospital, helping to obtain millions of dollars in grant monies to establish the hospital. She is also a founding board member of North Hawaii Women and Children's Services (now known as Hawaii Learning Resource), whose mission is to increase access for local students and professionals to recent advancements in identifying, assessing, and effectively supporting local students with learning differences.

Ms. Vitousek has been a community leader on the Island of Hawaii in the areas of access to medical care and addressing the physician and health provider shortage. She is a strong proponent of providing training and residency programs on the neighbor islands. Her knowledge in the area of graduate medical education in rural areas makes her an excellent addition to the Hawaii Medical Education Council.

PAULA YOSHIOKA

Your Committee received testimony in support of the nomination of Paula Yoshioka from the Healthcare Association of Hawaii and two individuals.

Your Committee finds that Ms. Yoshioka received a Bachelor's degree in Finance from the California State University at Sacramento. She received a Master of Business Administration degree from the California State University at Dominguez Hills.

Ms. Yoshioka is currently the Senior Vice President of Corporate Development for The Queen's Medical Center, where she works with physician residency programs to meet the needs of The Queen's Medical Center and the overall healthcare needs of the State.

Prior to this, she served as the Vice Chair of Administrative Services at the University of Hawaii John A. Burns School of Medicine's Department of Psychology, where she had direct involvement in medical education on a variety of levels. She has also served in various capacities with the Department of Health, including Deputy Director.

Ms. Yoshioka's many years of healthcare experience in the public and private sector, as well as her familiarity with the critical role residency training plays in providing Hawaii with new physicians, will add a valuable perspective to the work being conducted by the Hawaii Medical Education Council.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kidani).

SCRep. 3558 Education on Gov. Msg. No. 906.

Recommending that the Senate advise and consent to the nomination of the following:

EDUCATION COMMISSION OF THE STATES

G.M. No. 906 ALAN OSHIMA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Alan Oshima to possess the requisite qualifications to be nominated to the Education Commission of the States.

Your Committee received testimony in support of the nomination of Alan Oshima from the Governor and six individuals.

Your Committee finds that Mr. Oshima received a Bachelor's degree in Business Administration and Marketing from Northwestern University. Mr. Oshima received a Juris Doctorate degree from the University of California, Hastings College of Law.

Mr. Oshima is the Executive Vice President of Corporate and Community Advancement of Hawaiian Electric Industries, LLC. Prior to this, Mr. Oshima was a lawyer in private practice for over thirty years before becoming a Senior Vice President, General Counsel, and Corporate Secretary with Hawaiian Telcom.

Mr. Oshima has a long track record of volunteering his time in support of public education. Mr. Oshima is the Director of the Hawaii Institute for Public Affairs and was instrumental to the initiative to form a Public School Land Trust to better utilize public school lands. Mr. Oshima is also the Founder and Chair of Hawaii 3R's, a non-profit organization that uses private and public resources to assist with community efforts to repair, restore, and remodel public school facilities. In addition, Mr. Oshima serves on the Board of Advisors of The Learning Coalition.

Your Committee finds that Mr. Oshima's passion and dedication to education make him an excellent choice to serve on the Education Commission of the States.

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 (Kidani).

SCRep. 3559 Education on Gov. Msg. Nos. 907 and 908.

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII TEACHER STANDARDS BOARD

G.M. No. 907 WRAY JOSE, for a term to expire 6-30-2015; and

G.M. No. 908 FELICIA VILLALOBOS, for a term to expire 6-30-2013,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Wray Jose and Felicia Villalobos to possess the requisite qualifications to be nominated to the Hawaii Teacher Standards Board.

WRAY JOSE

Your Committee received testimony in support of the nomination of Wray Jose from the Governor, Hawaii Teacher Standards Board, Hawaii State Teachers Association, and two individuals.

Your Committee finds that Mr. Jose received his Bachelor of Arts degree and Doctorate of 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 is a current member of the Hawaii Teacher Standards Board and serves as the Chairperson of the Teacher Standards Committee, which focuses on the development and adoption of licensing and performance standards for teachers, school counselors, and school librarians, as well as the adoption of licensure tests and validation of content expertise.

Your Committee finds that Mr. Jose has many years of teaching and leadership experience. As such, Mr. Jose will continue to be an asset to the Hawaii Teacher Standards Board.

FELICIA VILLALOBOS

Your Committee received testimony in support of the nomination of Felicia Villalobos from the Governor, Hawaii Teacher Standards Board, Hawaii State Teachers Association, and two individuals.

Your Committee finds that Ms. Villalobos received a Bachelor's degree in Liberal Studies from California State University at Fresno. She went on to receive a Master's degree in Education from the University of Hawaii at Manoa.

Ms. Villalobos has served as an elementary school teacher for the past nine years and is currently a first grade teacher at Wilcox Elementary on the Island of Kauai.

Ms. Villalobos also serves as a mentor to student teachers at the University of Hawaii at Manoa and is a Hawaii delegate to the National Education Association.

Ms. Villalobos testified that her short-term goal as a member of the Hawaii Teacher Standards Board is to help facilitate a clearer line of communication between the Board and teachers on Kauai, where Ms. Villalobos resides. Ms. Villalobos' long-term goal is to continuously monitor, reevaluate, and improve the licensing process so that Hawaii can recruit and retain highly qualified teachers.

Your Committee finds that Ms. Villalobos' commitment and passion for education will make her an outstanding addition to the Hawaii Teacher Standards Board.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, 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 (Kidani).

SCRep. 3560 Hawaiian Affairs on Gov. Msg. Nos. 891 and 892.

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF HAWAII

G.M. No. 891 MARY MAXINE KAHAULELIO, for a term to expire 6-30-2015; and

G.M. No. 892 KEITH UNGER, 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 Maxine Kahalelio and Keith Unger to possess the requisite qualifications to be nominated to the Island Burial Council, Island of Hawaii.

MARY MAXINE KAHAULELIO

Your Committee received testimony in support of the nomination of Mary Maxine Kahalelio from the Department of Land and Natural Resources.

Your Committee finds that Ms. Kahalelio's understanding of the Native Hawaiian culture and history and practices relating to burials comes from her childhood growing up in Pauoa, Oahu, and visiting Kawaiha'o Church. The nominee has served on the Island Burial Council in an interim capacity since September 2011.

Ms. Kahalelio has a distinguished record of community service on the islands of Hawaii and Oahu, including service on the Waimea Hawaiian Homestead Association and Kipuupuu o Puukapu Hawaiian Homestead. Ms. Kahalelio has also served the Koolauloa Welfare Rights Group, Queen Liliuokalani Children's Center, and the Ko'olauloa Hawaiian Civic Club. The nominee is a resident of Hawaiian homelands in Kamuela, Hawaii, and worked for the Department of Education for thirty years.

KEITH UNGER

Your Committee received testimony in support of the nomination of Keith Unger from the Department of Land and Natural Resources, State Historic Preservation Division, Kahua Ranch, and four individuals.

Your Committee finds that Mr. Unger is the General Manager for McCandless Land and Cattle Company and has been with the company since 1992. In this role, Mr. Unger oversees the company's 5,600 acres on the island of Hawaii. As a licensed real estate broker in Kailua-Kona since 1987, Mr. Unger is familiar with the development community and process and has had the opportunity to develop several of his own projects. The nominee's service as Land Issues Chairman for the Hawaii Cattlemen's Council, as Associate Director for the Kona Soil and Water Conservation District, and as a member of the 'Alala Recovery Team allows him to work with the large landowner and ranching communities on a regular basis. The nominee has been serving on the Island Burial Council in an interim capacity since August 2011.

Mr. Unger's personal experience with the burial council process gives him a unique perspective. After the nominee encountered ancestral remains on a five-acre lot that he owned and intended to develop, he secured the necessary approvals for a burial treatment plan. With the burial treatment plan in place, Mr. Unger completed development of an open-air market. A fourth generation *kama'aina* and life-long resident of the Big Island, Mr. Unger's skills, experiences, and deep roots on the island of Hawaii will aid the Island Burial Council.

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, 6. Noes, none. Excused, 2 (Hee, Kidani).

SCRep. 3561 Hawaiian Affairs on Gov. Msg. No. 894.

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF KAUA'I AND NI'HAU

G.M. No. 894 NATHAN KALAMA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Nathan Kalama to possess the requisite qualifications to be nominated to the Island Burial Council, Islands of Kaua'i and Ni'ihau.

Your Committee received testimony in support of the nomination of Nathan Kalama from the Department of Land and Natural Resources, Halau Palaihiwa o Kaipuwai, and seven individuals.

Your Committee finds that Mr. Kalama has a vast knowledge of ancestral Hawaiian remains and has embraced the extraordinary responsibility of caring for ancestral remains. Mr. Kalama has provided the protocol ceremonies for the re-interment of ancestral remains in the last five cases before the Island Burial Council, Islands of Kaua'i and Ni'ihau. Mr. Kalama served a short interim term on the Island Burial Council, Islands of Kaua'i and Ni'ihau, from September 2010 to March 2011, and wishes to continue his service.

Mr. Kalama is a respected *kumu hula* on the island of Kauai who knows the Kauai community through his businesses, cultural enterprises, and community involvement. The nominee founded the Malie Foundation, the Malie Scholarship Fund, and the Malie Awards to promote, perpetuate, preserve, and educate the public about native Hawaiian traditional and contemporary practices. Through the Malie Foundation's acclaimed Kauai Mokihana Festival and other educational programs, Mr. Kalama has touched the lives of Kauai residents, visitors, and young people. Your Committee believes that the nominee will bring to the Island Burial Council a peace-centered perspective that recognizes the dignity of ancestral bones.

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, 6. Noes, none. Excused, 2 (Hee, Kidani).

SCRep. 3562 Hawaiian Affairs on Gov. Msg. Nos. 895 and 896.

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF MAUI AND LANA'I

G.M. No. 895 KALANI HO, for a term to expire 6-30-2015; and

G.M. No. 896 LEIANE PACI, for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Kalani Ho and Leiane Paci to possess the requisite qualifications to be nominated to the Island Burial Council, Islands of Maui and Lana'i.

KALANI HO

Your Committee received testimony in support of the nomination of Kalani Ho from the Department of Land and Natural Resources.

Your Committee finds that Ms. Ho is the Land and Property Manager for Maui Land and Pineapple Company, one of the largest landowners on the island of Maui. In this role, Ms. Ho is responsible for managing the approximately 23,000 acres of land that the company owns. The nominee leads the management team responsible for the 8,600 acre Puu Kukui Preserve on the company's conservation lands and oversees the archaeological sites within the company's land holdings. Ms. Ho's managerial experience and leadership training fellowship with Ka Ipu Kukui – a Maui program that prepares individuals to be leaders in Maui County – has prepared her to think clearly and collaboratively.

Ms. Ho has experience working with the Island Burial Council, Islands of Maui and Lana'i, and the State Historic Preservation Division. When Maui Land and Pineapple encountered ancestral remains on its property, the nominee appeared before the Island Burial Council to present a burial treatment plan. When Maui Land and Pineapple uncovered archaeological sites on its property, the nominee drafted and helped implement preservation plans to ensure that the sites are treated with care and dignity. Ms. Ho's experiences have taught her about the many interests that the Island Burial Council takes into consideration when ancestral bones are uncovered.

LEIANE PACI

Your Committee received testimony in support of the nomination of Leiane Paci from the Department of Land and Natural Resources; Archaeological Services Hawaii, LLC; The Maui Lani Community Association; and four individuals.

Your Committee finds that Ms. Paci is a partner in the development firm Maui Lani Partners. Maui Lani Partners is the developer of Maui Lani, a 1,012 acre master-planned community in Central Maui that includes a number of residential neighborhoods. As a

partner at Maui Lani Partners, Ms. Paci leads community outreach, manages pre-development budgeting, and presents updates and testimony at council meetings and commissions. Ms. Paci also oversees archaeological and burial preservation sites at Maui Lani.

Ms. Paci has a wealth of experience with the Island Burial Council, Islands of Maui and Lana'i. The nominee is currently serving as an interim appointee to the Island Burial Council, Islands of Maui and Lana'i. Prior to the interim appointment, on behalf of her partnership, Ms. Paci repeatedly appeared before the Island Burial Council, Islands of Maui and Lana'i, with burial treatment plans. In both of these roles, Ms. Paci has demonstrated fairness and proven to be an excellent communicator.

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, 6. Noes, none. Excused, 2 (Hee, Kidani).

SCRep. 3563 Hawaiian Affairs on Gov. Msg. No. 897.

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLAND OF O'AHU

G.M. No. 897 ELTON MAGALLANES, for a term to expire 6-30-2015,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Elton Magallanes 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 Elton Magallanes from the Department of Land and Natural Resources.

Your Committee finds that Mr. Magallanes understands the native Hawaiian practices with respect to ancestral bones from his continuing studies and his family tradition. Mr. Magallanes has studied various forms and levels of ceremonial protocols under the late *kumu* John Keola Lake and continues to study them under 'Olohe Ke'eaumoku Kapu. The subject of ancestral remains stokes a deep sense of responsibility in Mr. Magallanes--a responsibility passed down to him from his great grandfather--and out of this responsibility he cares for and monitors numerous family burials and relics on the islands of Hawaii, Maui, Kauai, and O'ahu.

Mr. Magallanes has been a resident of Wai'anae for over thirty years and has served in an interim capacity on the Island Burial Council since November 2011. His assistance helped Wai'anae regional descendants protect, recover, and repatriate ancestral bones that were unearthed at Mauna Lahilahi in 2008. Aside from his work as an educator at Alu Like, the nominee also works with young men in a ha'a group for Wai'anae youth and assists with burial protocols and restoration efforts in Kalaeloa.

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, 6. Noes, none. Excused, 2 (Hee, Kidani).

SCRep. 3564 Hawaiian Affairs on Gov. Msg. Nos. 909 and 910.

Recommending that the Senate advise and consent to the nominations of the following:

HAWAIIAN HOMES COMMISSION

G.M. No. 909 LEIMANA DAMATE, for a term to expire 6-30-2013; and

G.M. No. 910 GENE ROSS DAVIS, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Leimana Damate and Gene Ross Davis to possess the requisite qualifications to be nominated to the Hawaiian Homes Commission.

LEIMANA DAMATE

Your Committee received testimony in support of the nomination of Leimana Damate from the Department of Hawaiian Home Lands; Office of Hawaiian Affairs; Association of Hawaiian Civic Clubs; Oahu Council, Association of Hawaiian Civic Clubs; Aupuni o Hawaii; Kapolei Community Development Corporation; Waimanalo Hawaiian Homes Association; and seven individuals.

Your Committee finds that Ms. Damate has served on the Hawaiian Homes Commission for the past year and provides insights and knowledge of cultural resources to help shape the commission's decisions. Ms. Damate leads the commission's effort to ensure that Hawaiian homelands water resources are used wisely, contributes to the commission's effort to re-energize agriculture in Waimea with the Veteran-Farmer program, and assists her fellow members of the commission's *ad hoc* committee on alternative energy.

GENE ROSS DAVIS

Your Committee received testimony in support of the nomination of Gene Ross Davis from L&R Farm, LLC; Moloka'i Farmers Alliance; Aupuni o Hawaii; and forty-one individuals.

Your Committee finds that Mr. Ross is a third generation beneficiary of the Hawaiian Homes Commission Act 1920, as amended, and has been a homesteader for most of his life. Mr. Ross has worked for the State of Hawaii's Department of Agriculture for the past twelve years and has built relationships of trust with farmers and ranchers throughout his community. Frequent visits with and encouragement and education from these members of the farming and ranching community give Mr. Ross a well-rounded perspective

on land and water issues. Through his work on the Hawaiian Homes Commission, Mr. Ross will continue to serve his community and remain well-connected to his roots on homestead land.

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, 6. Noes, none. Excused, 2 (Hee, Kidani).

SCRep. 3565 Judiciary and Labor on Gov. Msg. Nos. 752 and 753.

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION TO PROMOTE UNIFORM LEGISLATION

G.M. No. 752 PETER HAMASAKI, for a term to expire 6-30-2016; and

G.M. No. 753 KEVIN SUMIDA, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Peter Hamasaki and Kevin Sumida to possess the requisite qualifications to be nominated to serve on the Commission to Promote Uniform Legislation.

PETER HAMASAKI

Your Committee received testimony in support of the nomination of Peter Hamasaki from the Department of the Attorney General, Honolulu Chamber of Commerce, and nine individuals.

Mr. Hamasaki earned a Bachelor of Arts degree from the University of California, Berkeley and graduated Phi Beta Kappa with highest honors. He received his Doctorate of Jurisprudence from Stanford University Law School. While in law school, he served as the Associate Editor of Stanford Law Review and was the recipient of the Hilmer Ohleman Prize. He is licensed to practice law in Hawaii.

Mr. Hamasaki is a Partner at McCorrison Miller Mukai MacKinnon LLP, and formerly served as a Foreign Law Associate in Tokyo, Japan, for the law firm Nagashima Ohno & Tsunematsu. He is a member of the American Bar Association and Hawaii State Bar Association. He also serves as a Director on the Honolulu Japanese Chamber of Commerce where he is the Chairperson for the Chamber's Government Affairs Committee.

Mr. Hamasaki is nominated for reappointment to the Commission to Promote Uniform Legislation. As a Commissioner, he has been conscientious, dedicated, and hard working, and is described by his fellow members on the Commission as a consummate team player who volunteers to testify at legislative hearings on a number of measures to enact proposed uniform laws. He worked with the Probate Section of the Hawaii State Bar Association on the Uniform Real Property Transfer on Death Act and with the Bureau of Conveyances on the Uniform Real Property Electronic Recording Act. He is an active participant in all phases of preparing a uniform act for enactment, including working on drafting committees to discuss and draft new acts for presentation to all Commissioners across the nation at annual summer meetings, attending annual meetings to consider and finalize the products of all drafting committees, and preparing testimony and testifying in support of the uniform acts at the Legislature.

KEVIN SUMIDA

Your Committee received testimony in support of the nomination of Kevin Sumida from the Department of the Attorney General and five individuals.

Mr. Sumida graduated cum laude from Case Western University where he obtained his Bachelor of Arts degree in Philosophy and earned his Doctorate of Jurisprudence from the University of Pennsylvania Law School. He is licensed to practice law in Hawaii.

Mr. Sumida currently serves as Senior Principal at Kevin Sumida & Associates where he focuses his litigation practice primarily on bad faith defense and insurance defense, including personal injury, construction litigation, products liability, antitrust, and coverage disputes. Since 1982, Mr. Sumida has served on the Board of Directors of the Farrington Alumni & Community Foundation, which is the first nonprofit private foundation in Hawaii supporting a public high school. He also serves as a coach for the Farrington High School Moot Court Competition as well as a judge for the William S. Richardson School of Law's Client Counseling Competition.

Mr. Sumida is nominated for reappointment to the Commission to Promote Uniform Legislation. As a Commissioner, his fellow members on the Commission described him as conscientious, dedicated, and hard working. He has served on the Drafting Committee on the Harmonization of Business Entities Act, the Enactment Committee for the Unsworn Declarations Act, and has begun serving on the Drafting Committee to Revise the Residential Landlord Tenant Code. The Landlord Tenant Code has become an important piece of legislation in Hawaii because it affects the lives of many. While his work on these drafting committees may sometimes involve matters outside of his normal practice of law, he has always been an active participant in the review of the proposed uniform laws and makes valuable contributions to the final products. He is available to testify at legislative hearings on bills for uniform acts and to provide background information to legislators and all others interested in the acts. He plays a vital role in ensuring that the products of the Commission are enacted by the Legislature to benefit the State.

Accordingly, based on the testimony submitted, your Committee finds that Peter Hamasaki and Kevin Sumida are exceptionally qualified to serve on the Commission to Promote Uniform Legislation. The nominees' professional experiences will serve the Commission and public well.

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. 3566 Judiciary and Labor on Jud.Com. No. 8

Recommending that the Senate consent to the nominations of the following:

DISTRICT FAMILY COURT OF THE SECOND CIRCUIT, STATE OF HAWAII

J.C. No. 8 ADRIANNE N. HEELY, for a term to expire in six years,

Your Committee has reviewed the resume submitted by the appointee and finds Adrienne N. Heely to possess the requisite qualifications to be appointed to the District Family Court of the Second Circuit, State of Hawaii.

Testimony in support of the appointment of Ms. Heely was submitted by the Department of Budget and Finance; Office of the Public Defender, Maui Office; Department of the Prosecuting Attorney, County of Maui; Maui Police Commission; and thirty-four individuals. Comments were submitted by the Board of Directors of the Hawaii State Bar Association.

The Hawaii State Bar Association Board of Directors found the appointee to be qualified for the position of District Family Court Judge, Second Circuit, based on established criteria for determining the qualifications of judicial and executive appointments generally using the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. Specifically, the Board uses the following criteria in its deliberations: 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 nominated. The Board's rating system includes the categories of "qualified" and "not qualified."

Ms. Heely earned her Bachelor of Arts in Sociology from the University of California at Santa Barbara, and her Doctorate of Jurisprudence from the William S. Richardson School of Law at the University of Hawaii at Manoa. While in law school, she received a national award for an essay that was published in Vermont Law School's Environmental Law Journal. She was also the recipient of the Hawaii State Bar Association Young Lawyers Division Award for Best Second Year Seminar Paper, Center for Computer-Assisted Legal Instruction (CALI) (AmJur) Award for Civil Rights, and CALI (AmJur) Award for Second Year Seminar, and recognized as the Outstanding Student in the Native Hawaiian Rights Clinic.

Ms. Heely currently serves as Deputy Corporation Counsel for the Department of the Corporation Counsel of the County of Maui. She is the team leader for the Counseling and Drafting Section's Finance, Public Safety, and Human Resources Team and serves as the primary attorney assigned to advise the Corporation Counsel's Budget & Finance Committee, the Department of Finance and its Real Property Tax and Purchasing Divisions, Department of Fire and Public Safety, Department of Personnel Services, and various boards and commissions, including the Real Property Tax Board of Review, Fire and Public Safety Commission, and Board of Ethics. She also advises and represents Maui County's interests in interest arbitrations. She previously served as a Litigation Associate Attorney with the Law Offices of Frank K. Goto, Jr., Hisaka Goto Yoshida Cosgrove & Ching, and Ashford & Wriston, LLP. She also served as a Deputy Public Defender for the Oahu and Maui Offices of the Office of the Public Defender and as a Law Clerk for the Honorable Michael A. Town.

Ms. Heely has been very active in providing pro bono services to the legal community and general public. She was recently appointed to the Board of Bar Examiners of the Hawaii Supreme Court and currently serves as Vice-President for the Maui County Bar Association. She is the former Chairperson of the Hawaii State Bar Association's Government Lawyers Section and former Director of the Hawaii State Bar Association's Young Lawyers Division. She also previously served as a Kamehameha Schools' soccer coach for the Intermediate Girls', Junior Varsity Boys', and Varsity Girls' teams.

Testimony in support of Ms. Heely's appointment commends her diverse professional experience as an attorney in various aspects of government operations and within the Judiciary. She is described as having an engaging demeanor. Her open approach with clients demonstrates her willingness to listen. She is eager to understand as many aspects of a matter or issue regardless of the complexity and is open to analyzing as many various options as necessary to reach a solution. She possesses the highest integrity, credibility, and morals that will serve her well in becoming an outstanding jurist.

As 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 (Ihara, Slom).

SCRep. 3567 (Joint) Education and Agriculture on H.C.R. No. 104

The purpose and intent of this measure is to urge the University of Hawaii to designate the Magoon Research and Teaching Facility site for use by the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources.

Your Committees received testimony in support of this measure from the University of Hawai'i at Manoa; Department of Agriculture; Hawaii Aquaculture and Aquaponics Association; Pacific American Foundation; Hawaii Farm Bureau Federation; Green Point Nurseries, Inc.; Hawaii Floriculture and Nursery Association; Orchid Growers of Hawaii; Isis Hawaii; Landscape Industry Council of Hawai'i; and one hundred six individuals. Your Committees received testimony in opposition to this measure from two individuals.

Your Committees find that the Magoon Research and Teaching Facility and its unique location have been used by the College of Tropical Agriculture and Human Resources for over forty years. Agricultural research, education, and outreach conducted at the Magoon Research and Teaching Facility are essential to advancing the State's agriculture industry and the economy. The University of Hawaii administration has identified the Magoon Research and Teaching Facility as a possible site for faculty housing although the administration has been presented with alternatives to help faculty obtain suitable housing. Pursuing faculty housing on this site may

have a negative impact on not just the College of Tropical Agriculture and Human Resources but also on the surrounding community and the State.

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 concur with the intent and purpose of H.C.R. No. 104, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Kahele, Taniguchi).

SCRep. 3568 (Joint) Education and Hawaiian Affairs on H.C.R. No. 85

The purpose and intent of this measure is to request the Board of Education and Department of Education to comply in full with the findings and recommendations of the Auditor's management audit of the Department's Hawaiian Studies Program.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, and eight individuals. Your Committees received comments on this measure from the Department of Education.

Your Committees find that the Auditor has previously issued two reports covering the Department of Education's Hawaiian Studies Program (Program). Your Committees urge the Department of Education to comply with the findings of the Auditor's reports by:

- (1) Allocating appropriate resources to the Program;
- (2) Updating and revising the Program and curriculum for grades K-6;
- (3) Monitoring the use of Hawaiian Studies funds in the schools;
- (4) Making a clear statement as to the role of kupuna and makua as the teachers of the Hawaiian culture and the role of the regular classroom teacher;
- (5) Allocating substantive resources for kupuna and makua training and educational programs; and
- (6) Providing an accounting of all expenditures relating to the establishment and implementation of a Hawaiian education program as required by Article X, Section 4, of the Hawaii State Constitution.

As affirmed by the records of votes of the members of your Committees on Education and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 85, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kahele, Taniguchi).

SCRep. 3569 Health on H.C.R. No. 32

The purpose and intent of this measure is to request the Office of the Governor to conduct a study on the efficacy of combining state government health policy, planning, and purchasing in a single agency in order to advance transformation of Hawaii's healthcare system and universal access to care.

Your Committee received testimony in support of this measure from the Office of the Governor and one individual.

Your Committee finds that the State's healthcare model has shortcomings that include a failure to encourage regular use of primary and preventive care, sporadic use of health information technology, and a fragmented continuum of care, among other things. Your Committee also finds that new approaches to healthcare delivery, payment, and information technology can have a transformative effect on the health of Hawaii's residents, resulting in more consistent quality of care, reduced cost inflation, and a healthier population overall, and efforts to examine the costs and benefits of such change are critical to the wellbeing of 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 concurs with the intent and purpose of H.C.R. No. 32, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Wakai, Slom).

SCRep. 3570 Ways and Means on S.R. No. 38

The purpose and intent of this measure is to support the Hawaii Public Housing Authority's application for a United States Department of Housing and Urban Development Choice Neighborhoods Grant.

Written comments in support of this measure were submitted by the Hawaii Public Housing Authority of the Department of Human Services.

Your Committee finds that the Hawaii Public Housing Authority is currently in the process of applying for a Choice Neighborhoods Planning grant. The grant program is administered by the United States Department of Housing and Urban Development and used by grant recipients to transform neighborhoods and public and assisted projects into viable and sustainable mixed-income communities. Adoption of this measure would show legislative support for the Hawaii Public Housing Authority's efforts to receive a Choice Neighborhood 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 concurs with the intent and purpose of S.R. No. 38, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 3 (Espero, Kim, Ryan).

SCRep. 3571 Human Services on H.C.R. No. 82

The purpose and intent of this measure is to support efforts of non-governmental organizations that assist in finding opportunities and solutions to address homelessness in Hawaii.

Your Committee received testimony in support of this measure from Hawaii Youth Services Network; Waianae Care, Inc.; and two individuals.

Your Committee finds that as Hawaii addresses the needs of homeless and at-risk individuals and families, it relies upon the assistance of non-governmental organizations in ensuring these individuals and families receive the help they need to become self-sufficient and contributing citizens. This measure expresses the Legislature's support of the efforts of these non-governmental organizations as they find opportunities and solutions to address the growing problem of homelessness in the State.

In addition, since issues associated with homelessness have the greatest impact on the counties, your Committee hopes that there is greater leadership at the county level as the counties have jurisdiction over zoning and a significant number of parks, beaches, roads, and other areas that are greatly affected by homelessness. Your Committee also encourages counties to make additional resources available for supporting individuals and families who are homeless or are at risk of becoming homeless.

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. 82, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 3572 Water, Land, and Housing on Gov. Msg. No. 859.

Recommending that the Senate advise and consent to the nomination of the following:

KAHANA VALLEY LIVING PARK PLANNING COUNCIL

G.M. No. 859 DANIELLE BEIRNE-KEAWE, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Danielle Beirne-Keawe to possess the requisite qualifications to be nominated to the Kahana Valley Living Park Planning Council ("Council").

Your Committee received testimony in support of the nomination of Danielle Beirne-Keawe from the Department of Land and Natural Resources, Association of Hawaiian Civic Clubs, and Papa Ola Lokahi.

Ms. Beirne-Keawe received her graduate degree in Urban and Regional Planning in 1992 and started a consulting business providing a variety of planning and community services. She is the Co-Founder of the Friends of Kahana, which was established to advocate and assist the residents of Kahana in their interactions with the State. She also participates with the Kahana Community Association, Malama Ohana and Koolauloa Hawaiian Civic Club. Her commitment and dedication will make her a valuable member of the Council.

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, 6. Noes, none. Excused, 1 (Tokuda).

SCRep. 3573 Water, Land, and Housing on Gov. Msg. Nos. 860, 861, and 862.

Recommending that the Senate advise and consent to the nominations of the following:

NATURAL AREA RESERVE SYSTEM COMMISSION

G.M. No. 860 TRAE MENARD, for a term to expire 6-30-2016;

G.M. No. 861 ROBIN NEWBOLD, for a term to expire 6-30-2016; and

G.M. No. 862 JONATHAN PRICE, for a term to expire 6-30-2016,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Trae Menard, Robin Newbold, and Jonathan Price to possess the requisite qualifications to be nominated to the Natural Area Reserve System Commission ("Commission").

TRAE MENARD

Your Committee received testimony in support of the nomination of Trae Menard from the Department of Land and Natural Resources.

Mr. Menard is the Director of Forest Conservation for The Nature Conservancy, Hawaii Chapter, and Kauai Watershed Alliance Coordinator. He began working in Hawaiian forests as a graduate researcher in 1994, studying forest ecology and hydrology in the East Maui watershed. He holds a degree in Environmental Studies and a Master of Science in Geography from the University of Hawaii. His skills, expertise, and knowledge of watershed management and professional land management and his commitment to serve the community will be a valuable asset for the Commission.

ROBIN NEWBOLD

Your Committee received testimony in support of the nomination of Robin Newbold from the Department of Land and Natural Resources, National Oceanic and Atmospheric Administration, Marine Management Solutions LLC, Harold K.L. Castle Foundation, and twelve individuals.

Ms. Newbold has been an educator for twenty years with Master's degrees in Biological Sciences. She is active in conservation issues at the county and federal levels. She has also served as the Maui County representative on the National Marine Sanctuary's Advisory Council. Ms. Newbold has had a varied and active career with an extensive background in marine-oriented field work on other Pacific islands as well as Hawaii. Her expertise in marine biology will bring a unique perspective to the Commission.

JONATHAN PRICE

Your Committee received testimony in support of the nomination of Jonathan Price from the Department of Land and Natural Resources and six individuals.

Mr. Price is an Assistant Professor of Geography and Environmental Studies at the University of Hawaii at Hilo. As a faculty member, he specializes in studying various aspects of Hawaiian ecosystems and teaching courses centered on Hawaiian natural history. His extensive experience in native Hawaiian ecosystems will provide the Commission with valuable insight of Hawaii's natural areas.

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, 6. Noes, none. Excused, 1 (Tokuda).

SCRep. 3574 Water, Land, and Housing on Gov. Msg. Nos. 900, 901, and 902.

Recommending that the Senate advise and consent to the nominations of the following:

LEGACY LAND CONSERVATION COMMISSION

- G.M. No. 900 THORNE ABBOTT, for a term to expire 6-30-2015;
- G.M. No. 901 JOAN CANFIELD, for a term to expire 6-30-2016; and
- G.M. No. 902 HERBERT RICHARDS, JR., for a term to expire 6-30-2015,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Thorne Abbott, Joan Canfield, and Herbert Richards, Jr. to possess the requisite qualifications to be nominated to the Legacy Land Conservation Commission ("Commission").

THORNE ABBOTT

Your Committee received testimony in support of the nomination of Thorne Abbott from the Department of Land and Natural Resources, Marine Resource Commission, and twenty-nine individuals.

Mr. Abbott is currently an environmental analyst and planner for TEC Inc. in Honolulu. His education background includes a Master of Science in Tropical Environmental Management from James Cook University in Townsville, Australia, and study in Marine Science at the University of Maryland and in Coastal Planning at the University of Hawaii. His experience in coastal planning and familiarity with Hawaii land use laws and regulations will assist the Commission in reviewing and analyzing land acquisition grant proposals.

JOAN CANFIELD

Your Committee received testimony in support of the nomination of Joan Canfield from the Department of Land and Natural Resources, University of Hawaii, and one individual.

Ms. Canfield is currently serving on the Commission as a five-year active member. She is an Affiliate Graduate Faculty member for the University of Hawaii Department of Botany and Ecology, Evolution and Conservation Biology Program and has a Doctorate of Philosophy in Botany from the University of Hawaii. As a scientist, her experience includes twenty years as a professional biologist with positions at The Nature Conservancy, U.S. Fish and Wildlife Service, and U.S. Geological Survey's Pacific Island Ecosystems Research Center. Her broad knowledge of Hawaii's ecological resources and strong background in endangered species biology and management will continue to be a valuable resource to the Commission.

HERBERT RICHARDS, JR.

Your Committee received testimony in support of the nomination of Herbert Richards, Jr., from the Department of Land and Natural Resources, Hawaii Cattlemen's Council, and Papa Ola Lokahi.

Mr. Richards is a well-respected rancher and is currently serving on the Commission. He has extensive experience serving the State through membership on various boards and commissions, including the Board of Regents of the University of Hawaii, Hawaii County Police Commission, and the Commission on Water Resource Management. Currently, his community activities include participation as the Chairperson of the Farm Services Administration, a board member for the Mauna Kea Soul and Water Conservation District, and Chairperson for 4Ag. With his extensive background serving the State and local communities, his reappointment will continue to be an asset to the Commission.

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, 6. Noes, none. Excused, 1 (Tokuda).

SCRep. 3575 Water, Land, and Housing on Gov. Msg. Nos. 918 and 919.

Recommending that the Senate advise and consent to the nominations of the following:

KAHO'OLAWA ISLAND RESERVE COMMISSION

G.M. No. 918 NOA EMMETT ALULI, for a term to expire 6-30-2015; and

G.M. No. 919 CHRISTOPHER BAKER, for a term to expire 6-30-2013,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Noa Emmett Aluli and Christopher Baker to possess the requisite qualifications to be nominated to the Kaho'olawe Island Reserve Commission ("Commission").

Your Committee received testimony in support of the nomination of Noa Emmett Aluli from the Office of Hawaiian Affairs, University of Hawaii, Kuiuwalu, Protect Kaho'olawe Ohana, Ahahui Malama I Ka Lokahi, Papa Ola Lokahi, and fourteen individuals.

Dr. Aluli is a physician in family and general practice at the Molokai Family Health Center and Medical Director with the Molokai General Hospital. He has been the Chair of the Commission for four terms and is a founding member of the Protect Kaho'olawe Ohana. Apart from his community service activities relating to Kaho'olawe, Dr. Aluli has also been heavily involved in many rehabilitation projects including overseeing the work on the Ala Loa trail, rebuilding the Hale Halawai, and establishing a water catchment system to revegetate native plants. He has demonstrated a strong commitment to the perpetuation of Hawaiian cultural values and will continue to be a valuable asset to the Commission.

Your Committee received testimony in support of the nomination of Christopher Baker from the Office of Hawaiian Affairs, University of Hawaii, Protect Kaho'olawe Ohana, and eight individuals.

Mr. Baker has been serving as an interim member of the Commission since June 2011. He currently teaches Hawaiian language and is a doctoral candidate at the University of Hawaii at Manoa. Mr. Baker has been a member of the Protect Kaho'olawe Ohana since 1993 and was the lead cultural practitioner for the makahiki ceremony on Kaho'olawe. His understanding and commitment as an expert in Hawaiian language and cultural traditions makes him an exceptional nominee for the Commission.

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, 6. Noes, none. Excused, 1 (Tokuda).

SCRep. 3576 Water, Land, and Housing on Gov. Msg. No. 920.

Recommending that the Senate advise and consent to the nomination of the following:

LAND USE COMMISSION

G.M. No. 920 LANCE INOUYE, for a term to expire 6-30-2016,

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Lance Inouye to possess the requisite qualifications to be nominated to the Land Use Commission ("Commission").

Your Committee received testimony in support of the nomination of Lance Inouye from the Department of Transportation; Land Use Commission; Land Use Research Foundation of Hawaii; The Pacific Resource Partnership; Nordic PLC Construction, Inc.; LYZ, Inc.; Healy Tibbitts Builders, Inc.; Genba Hawaii, Inc.; Chamber of Commerce of Hawaii; Hawaii LECET; General Contractors Association of Hawaii; Hawaii Laborers' Union; TOMCO Corp.; S & M Sakamoto, Inc.; Rons Construction Corporation; Masons Union Local 1 HI and Local 630; Building Industry Association of Hawaii; and twenty individuals.

Mr. Lance Inouye has been licensed to practice law for over thirty years with over twenty years of experience as an arbitrator on the American Arbitration Association Panel and Hawaii Court Annexed Arbitration Panel. He has been the President and Chief Executive Officer of Ralph S. Inouye Co., Ltd., General Contractor, since 1981. Through his legal and engineering backgrounds and work as a general contractor, Mr. Inouye gained extensive experience dealing with quasi-judicial processes and with environmental rules and regulations relating to the construction, preservation, and restoration of historic buildings and other public construction projects. His knowledge and experience will be a valuable asset to the Commission.

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, 6. Noes, none. Excused, 1 (Tokuda).

SCRep. 3577 Judiciary and Labor on Gov. Msg. No. 561.

Recommending that the Senate advise and consent to the nomination of the following:

EMPLOYEES' RETIREMENT SYSTEM, BOARD OF TRUSTEES

G.M. No. 561 VINCENT BARFIELD, for a term to expire 6-30-2017 (Term amended to 1-1-2017 by GM922),

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Vincent Barfield to possess the requisite qualifications to be nominated to serve on the Board of Trustees of the Employees' Retirement System.

Your Committee received testimony in support of the nomination of Vincent Barfield from the Department of Budget and Finance; Employees' Retirement System; The Chamber of Commerce of Hawaii; Bank of Hawaii; C.S. Wo & Sons, Ltd.; Island Insurance Companies; Association of Military Banks of America; and three individuals.

Mr. Barfield received his Bachelor of Business Administration and Master of Business Administration from the University of Hawaii at Manoa. He is currently enrolled in the Stanford Executive Program with the Stanford Graduate School of Business. He currently serves as a Senior Executive Vice President at Bank of Hawaii where he is responsible for the bank's largest fiduciary segments - Private Bank, Personal Trust, and Investment Management Services - with \$6,800,000,000 in assets under management. He also serves as a member of the Managing Committee that is responsible for the bank's strategic direction, and as a Military Liaison to oversee military bank strategy, services, and defense department relationships.

Mr. Barfield has also been involved in the community. He serves as a Board member for the East-West Center Foundation, Board member for the USS Missouri Memorial Association, permanent committee member for the Barstow Foundation, Chairman-Elect of the Association of Military Banks of America, member of the Military Affairs Council, and member of the Navy League. He is the past President of Prevent Child Abuse Hawaii and past annual Business Team Chairperson for Aloha United Way.

According to testimony submitted in support of the nominee, Mr. Barfield currently serves on the Employees' Retirement System (ERS) Board as an Interim Trustee. Due to his extensive experience in banking and investment services, he has provided the ERS Board valuable insight and knowledge during board discussions and decisionmaking. He serves on the Board's Investment and Audit Committees and has focused on the strength of the ERS' investment program and the overall sustainability of the ERS. With the best interests of the ERS members, retirees, and their beneficiaries in mind, he approaches the issues facing the ERS with a critical and fair perspective.

Given Mr. Barfield's background, skills, and experience thus far as an Interim Trustee, your Committee finds that his continued presence and contributions as a Trustee of the Employees' Retirement System will continue to positively impact its members and 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, 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. 3578 Water, Land, and Housing on Gov. Msg. Nos. 728, 729, 730, and 732.

Recommending that the Senate advise and consent to the nominations of the following:

KOKE'E STATE PARK ADVISORY COUNCIL

- G.M. No. 728 JOSE BULATAO, JR., for a term to expire 6-30-2014;
- G.M. No. 729 MARY BUZA-SIMS, for a term to expire 6-30-2015;
- G.M. No. 730 CANEN HOOKANO, for a term to expire 6-30-2014; and
- G.M. No. 732 VAL TSUCHIYA, for a term to expire 6-30-2013,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Jose Bulatao, Jr., Mary Buza-Sims, Canen Hookano, and Val Tsuchiya to possess the requisite qualifications to be nominated to the Koke'e State Park Advisory Council ("Council").

Your Committee received testimony in support of the nomination of Jose Bulatao, Jr., from the Department of Land and Natural Resources and one individual.

Mr. Bulatao is an educator and holds a Bachelor's degree in Secondary Education and a Professional Certificate with a double major in English and Speech & Drama from the University of Hawaii. Throughout his career, he has taught a wide range of classes at Waimea High School, Kauai High School, and Kauai Community College. His contributions in his community are many, including teaching citizen preparation and English at the adult education level and working with senior citizens to coordinate a creative drama program and Filipino folk dance classes. In recognition of his numerous contributions to the community, he has received numerous awards. As a life-long resident of Kauai, Mr. Bulatao will make significant contributions to the Council.

Your Committee received testimony in support of the nomination of Mary Buza-Sims from the Department of Land and Natural Resources and one individual.

Ms. Buza-Sims is an educator and has a Bachelor's degree in Education from Seattle University and a Master's degree in Social Work from the University of Washington. She has taught extensively in Seattle and has returned to her alma mater St. Theresa School in Kauai as its Principal. She has been active in community affairs, participating in numerous committees and boards. Her interest in the Council is to help indigenous plant life, preserve wildlife, update the area's beauty, and provide ease of access to the parks. Her dedication to the community and education will be valuable to the Council.

Your Committee received testimony in support of the nomination of Canen Hookano from the Department of Land and Natural Resources and one individual.

Mr. Hookano was born and raised on Kauai and has volunteered on many community projects. His professional experience includes work on developing alternate sources of energy on the island of Kauai. Additionally, he serves on the Kauai Workforce Investment Board, is a water resource management consultant to the Department of Hawaiian Home Lands, and is active with the Kokee Leaseholders' Association. If reappointed, he will be serving his second term and continuing to contribute the knowledge and expertise he has gained as the Chair of the Council.

Your Committee received testimony in support of the nomination of Val Tsuchiya from the Department of Land and Natural Resources and one individual.

Mr. Tsuchiya was born and raised on Kauai and has a Bachelor's degree in Social Science and Master's degree in Special Education. As an educator since 1968 at various schools on Kauai, he has worked with students who have learning, emotional, and other identified disabilities. Throughout the years, he has become very familiar with Kokee and Waimea Canyon State Parks and has been on almost all the trails in those parks. His knowledge and experience will bring a valuable local perspective to the Council.

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 (Shimabukuro, Tokuda).